

1. The case for prevention has never been clearer
2. Everyday care is now an integral part of health insurance
3. Talking Therapies are making a meaningful health impact
4. Earlier cancer screening and diagnosis is needed
5. Technology and data are delivering better patient experiences and outcomes

1

# Health Claims Insights Report 2023



1. The case for prevention has never been clearer
2. Everyday care is now an integral part of health insurance
3. Talking Therapies are making a meaningful health impact
4. Earlier cancer screening and diagnosis is needed
5. Technology and data are delivering better patient experiences and outcomes



**Dr Keith Klintworth**  
Managing Director,  
VitalityHealth

## “UK healthcare is facing a period of significant volatility. Innovation is needed more than ever.”

**Against the backdrop of a struggling economy, our nation is getting less healthy - not more. Recent estimates suggest that over nine million people in England alone will be living in poor health by 2040<sup>1</sup>. In the aftermath of the pandemic, our national health service is still under immense pressure, with waiting lists reaching unprecedented levels and high inflation continuing to impact medical costs.**

Amongst this, more people are turning to health insurance. In 2021, the private medical insurance (PMI) industry experienced its biggest growth since the mid-90s and demand has remained high<sup>2</sup>. As a result, the sector will need to adapt in order to remain sustainable and meet the changing needs of consumers as the healthcare landscape continues to shift.

Vitality has always been proud to lead the transformation of insurance and move the PMI market forward. For many years, our innovative products have sought to incentivise better health and provide earlier intervention through everyday care in order to improve health outcomes for our members. Recent years have also seen us develop new digital pathways to enable easier access to treatment.

This next generation approach to health insurance has resonated strongly in recent years and our data proves it works. Our member base, which reached 1.7 million in 2022, offers a rich dataset that reflects a model delivering profound results, such as improved treatment outcomes through more transparent, better quality consultant care and lower risk of hospitalisation for those who engage with a healthy lifestyle through the Vitality Programme.

In this report, we explore our health insurance claims insights from 2022, whilst highlighting the most pressing trends currently impacting PMI. The report also includes recommendations and perspectives on how insurers, advisers, and members can navigate this challenging environment.

1. The case for prevention has never been clearer
2. Everyday care is now an integral part of health insurance
3. Talking Therapies are making a meaningful health impact
4. Earlier cancer screening and diagnosis is needed
5. Technology and data are delivering better patient experiences and outcomes

## 2022 at a glance

### Our key insights

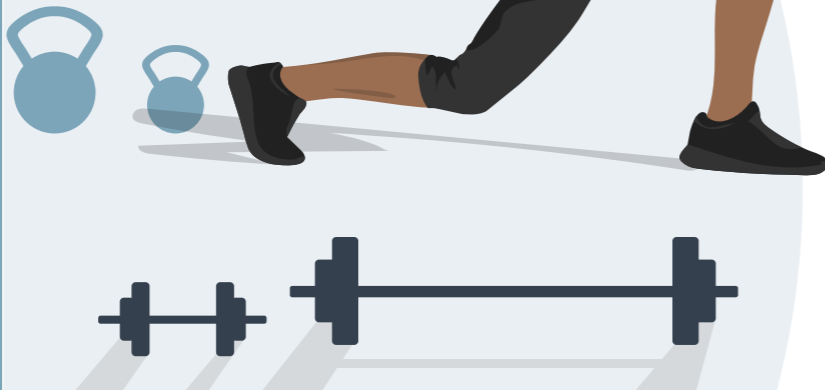
1

#### The case for prevention has never been clearer

Up to

**29%**

lower risk of hospitalisation for members who are more active.



3

2

#### Everyday care is now an integral part of health insurance

**58%**

of claims are for everyday care.

Over 100,000 Vitality GP consultations

**Up 3x**

from 2019 to 2022.

Over **60%**

of Vitality GP app users benefit from onward treatment through Vitality.



3

#### Talking Therapies are making a meaningful health impact

Talking Therapies reduce the risk of a psychiatric admission by 21% and future physical morbidity risk by 20%.

Talking Therapies accounts for

**85%**

of mental health claims.

Almost

**50%**

of Talking Therapies claims are for women under the age of 40.



Our 2022 results  
at a glance

1. The case for prevention has never been clearer
2. Everyday care is now an integral part of health insurance
3. Talking Therapies are making a meaningful health impact
4. Earlier cancer screening and diagnosis is needed
5. Technology and data are delivering better patient experiences and outcomes

4



### Earlier cancer screening and diagnosis is needed

Approximately

**1 in 3**

of all breast cancer claims are for women under the age of 50.

**1 in 4**

of all bowel and skin cancer claims are for members under the age of 50.



### Technology and data are delivering better patient outcomes

Almost

**Half**

of all claims are started online.

Over

**50%**

of members using Care Hub see a Premier Consultant.

Members seeing a Premier Consultant have

**61%**

shorter hospital stays.

**42%**

lower readmission rates.



Read on



1. The case for prevention has never been clearer

2. Everyday care is now an integral part of health insurance

3. Talking Therapies are making a meaningful health impact

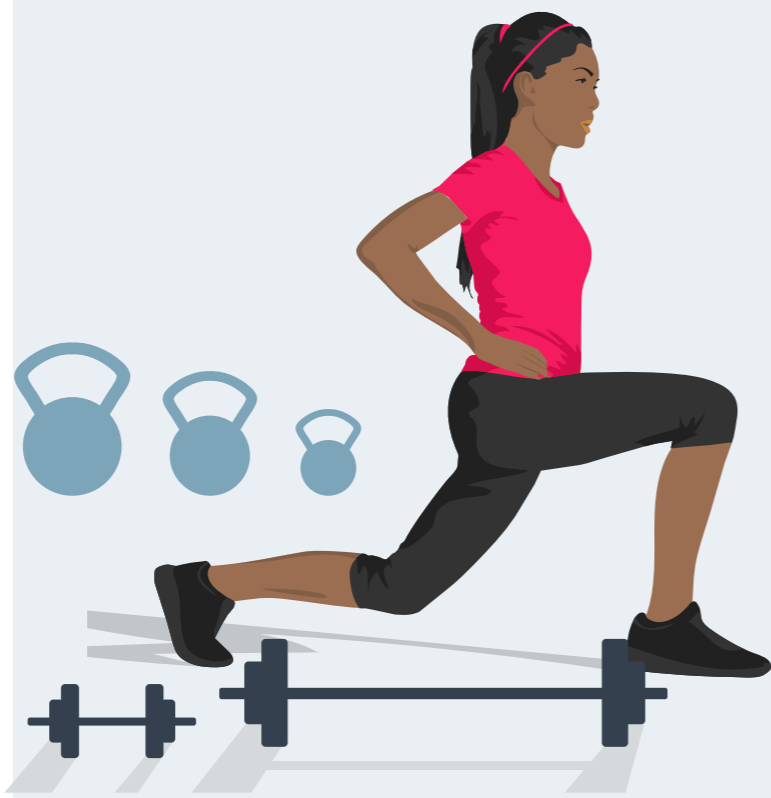
4. Earlier cancer screening and diagnosis is needed

5. Technology and data are delivering better patient experiences and outcomes

1

## The case for prevention has never been clearer

Around two thirds of people in the UK are now overweight or obese, according to Public Health England<sup>1</sup>, and research shows around five million are living with diabetes<sup>2</sup>. Alongside unhealthy habits such as smoking, poor diet and sedentary lifestyles, these are leading causes of premature death and cost the NHS billions of pounds each year. This is putting a greater urgency on the need for prevention.

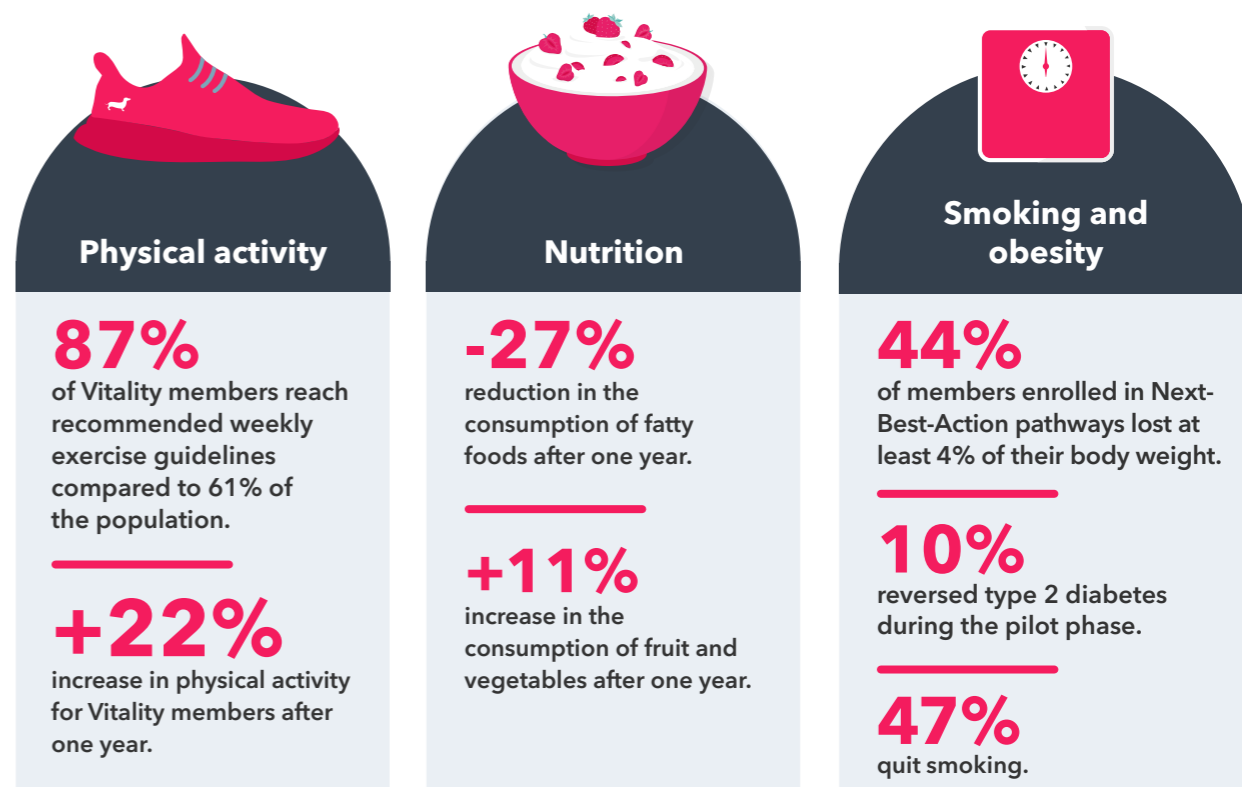


## Driving positive behaviour change

At Vitality, we've seen first-hand that it takes an intelligently designed combination of nudges and incentives to bring about sustainable behaviour change for members.

Because poor wellbeing is caused by a range of factors, such as lack of physical exercise and poor nutrition, the Vitality Programme is focused on changing key lifestyle behaviours to keep people healthy and productive, rather than just intervening when they are ill.

Through a more personalised approach, we are also addressing risks which are significant drivers of chronic conditions and healthcare costs, and traditionally difficult to change: smoking and obesity.



<sup>1</sup>Health Survey for England 2021 <sup>2</sup>Diabetes Research & Wellness Foundation, May 2023.

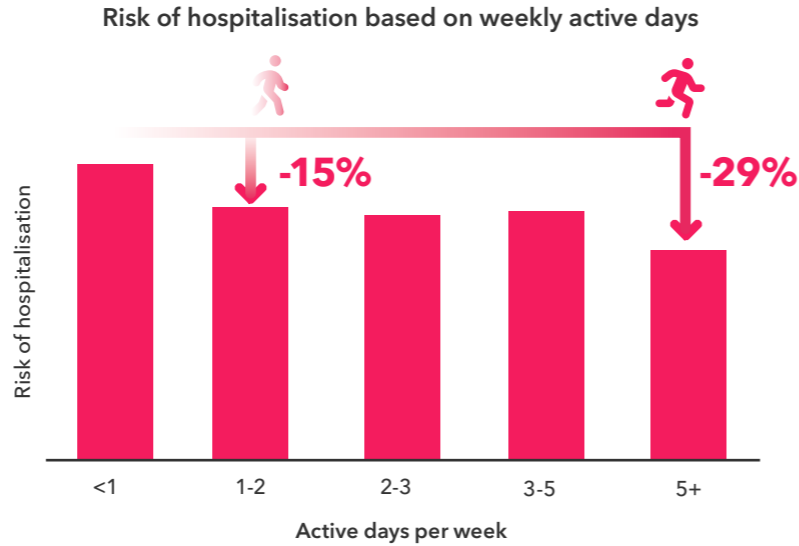
Vitality and ONS data 2020-2023.

Foreword

Our 2022 results at a glance

1. The case for prevention has never been clearer
2. Everyday care is now an integral part of health insurance
3. Talking Therapies are making a meaningful health impact
4. Earlier cancer screening and diagnosis is needed
5. Technology and data are delivering better patient experiences and outcomes

**More active individuals are less likely to need hospital treatment**



**We've seen strong evidence that our active members are in better health and are less likely to suffer from severe ill-health resulting in them being hospitalised.**

Analysis shows that exercising at least once a week reduces the risk of hospitalisation by 15%, compared to those who exercise less than once a week on average.

For our most active members, those exercising 5 or more times a week, there is a 29% lower risk of hospitalisation.

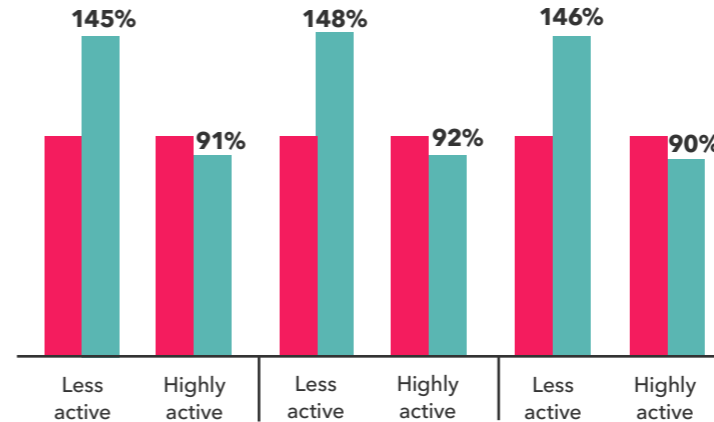
**Helping members get back up and running after treatment**

We know that more engaged members are less likely to need hospital treatment, on average. But what happens to people's exercise when they experience ill-health?

Analysis of Vitality members in the 3 months before and after a variety of healthcare claims - cardiac, physiotherapy and musculoskeletal - showed a powerful effect on activity levels. Members who were less active prior to their condition increased their weekly active days by approximately 50% in the 3 months afterwards. Members who were highly active before treatment largely maintained a healthy level of activity (with a small 9% drop-off in active days).

This indicates that, with the support of the Vitality Programme, healthcare events can act as a trigger for members to get active.

**Relative active days before and after a healthcare claim**



♥ Cardiac
🏃 Physio
💪 Musculoskeletal

● Before ● After

**Vitality Recommends**

**Prioritise prevention in the form of healthier lifestyles.**



1. The case for prevention has never been clearer
2. Everyday care is now an integral part of health insurance
3. Talking Therapies are making a meaningful health impact
4. Earlier cancer screening and diagnosis is needed
5. Technology and data are delivering better patient experiences and outcomes

2

## Everyday care is now an integral part of health insurance

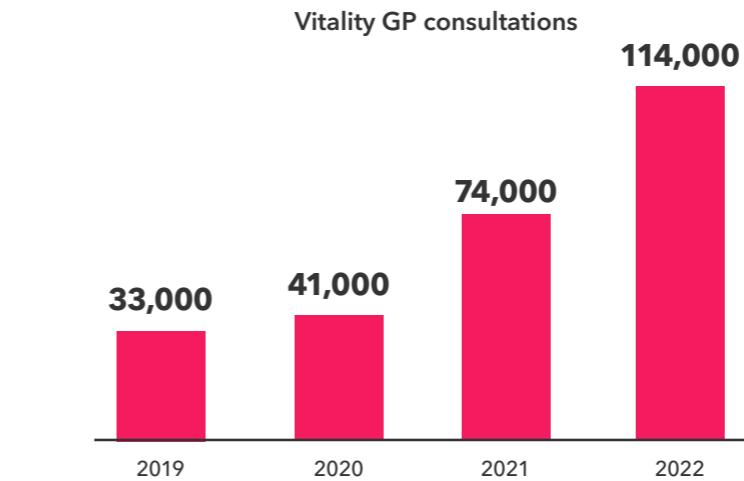
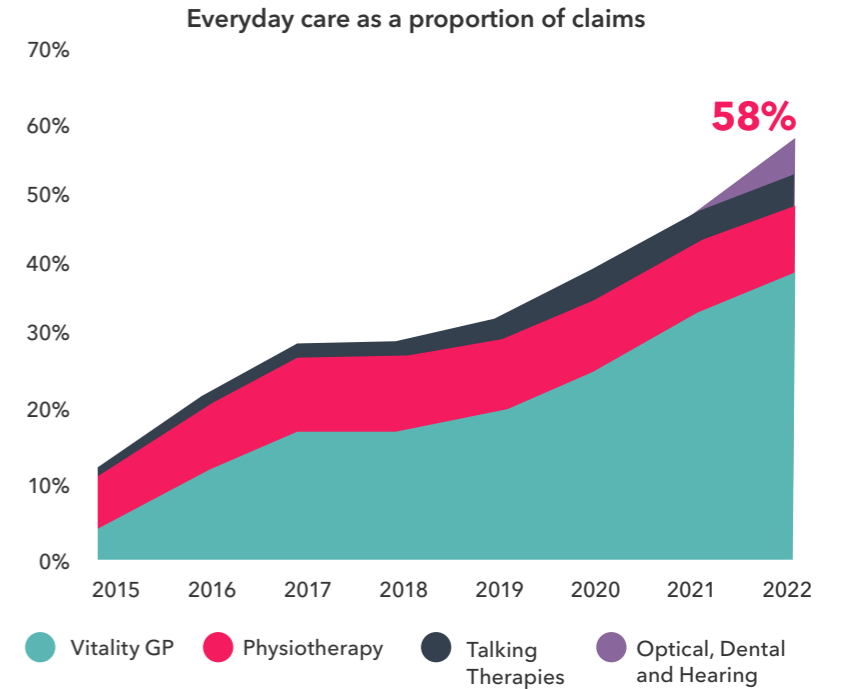
Consumer attitudes to health insurance are changing. Recent Vitality research (2023) revealed that difficulty accessing GP appointments is the second biggest consideration for those considering health insurance for the first time. With public services under pressure and about 30% of patients waiting more than a week for a GP appointment<sup>1</sup>, those with health insurance are increasingly using it to access everyday care.



<sup>1</sup>NHS Digital, August 2023.

**Everyday care\* now makes up almost 60% of all Vitality health insurance claims.**

Last year's Claims Insights Report showed exponential growth in everyday care usage by Vitality members. This trend has accelerated in 2022, with Vitality GP, Talking Therapies, Physiotherapy and the recently introduced Optical, Dental and Hearing benefit now accounting for 58% of all claims. This includes over 10,000 virtual GP consultations per month - a three-fold increase since 2019.



**114,000 consultations in 2022 - a 55% increase from 2021 and three times the number in 2019.**

**Continuous innovation will help manage demand**

While a virtual GP service has become a common feature of health insurance, it needs to offer more than just GP consultations to remain relevant and sustainable as a service.

Having built deep integration between the Vitality GP app and our onward care journey, members can obtain a GP referral and immediate claims authorisation. They can then immediately choose a consultant and book onward care through our Care Hub, making digital access to care a far easier and seamless process.

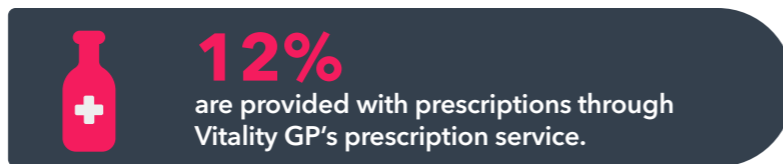
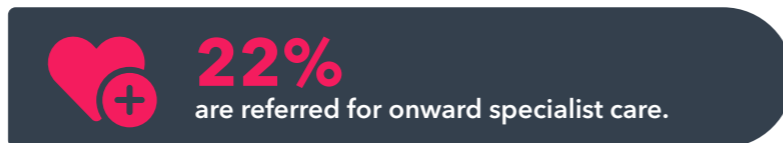
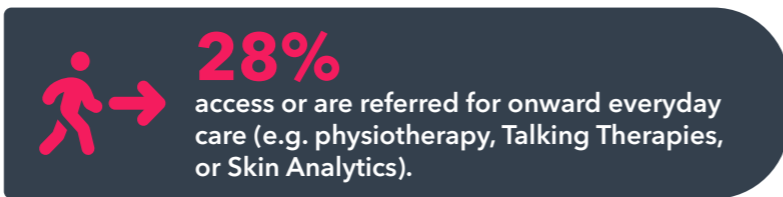
\*Vitality GP, Talking Therapies, Physiotherapy and Optical, Dental and Hearing benefits.



Our 2022 results at a glance

- 1. The case for prevention has never been clearer
- 2. Everyday care is now an integral part of health insurance
- 3. Talking Therapies are making a meaningful health impact
- 4. Earlier cancer screening and diagnosis is needed
- 5. Technology and data are delivering better patient experiences and outcomes

Our analysis shows that more than 60% of members using the Vitality GP app are benefiting from onward treatment for a variety of services<sup>1</sup>.



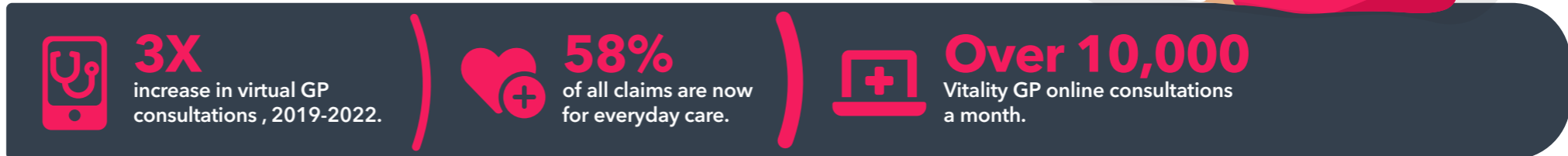
The rest of our members are provided with self-management guidance or referred to relevant NHS services.

Top three reasons for people considering PMI for the first time\*

- 1 Concerns around time to receive treatment
- 2 Difficulty making GP appointments
- 3 Speed of service available

Vitality Recommends

Provide inclusive everyday care benefits and highlight how these can deliver value from day one.



\*Vitality Research, 2023. <sup>1</sup>Vitality GP app outcomes include self-referral for everyday care where relevant.



1. The case for prevention has never been clearer
2. Everyday care is now an integral part of health insurance
3. Talking Therapies are making a meaningful health impact
4. Earlier cancer screening and diagnosis is needed
5. Technology and data are delivering better patient experiences and outcomes

3

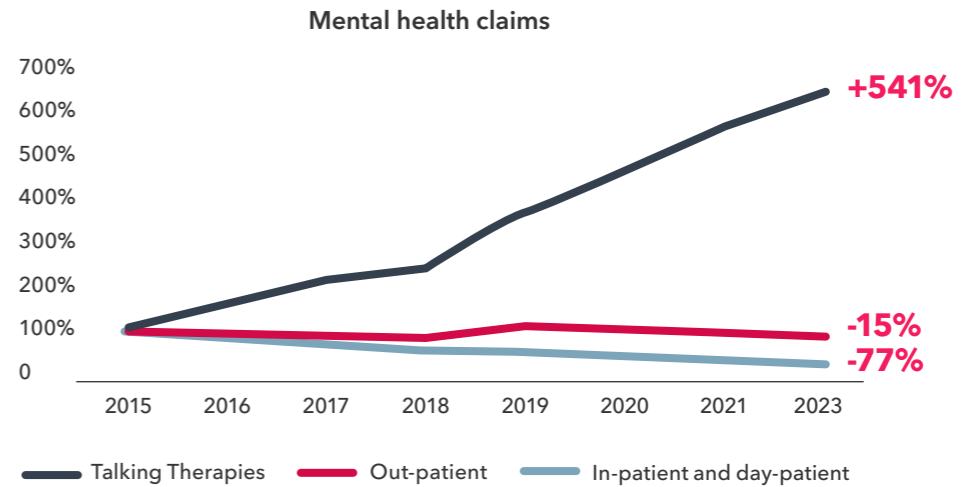
## Talking Therapies are making a meaningful health impact

One in four of us will experience a mental health problem of some kind each year<sup>1</sup>. Meanwhile, mental health services in England received a record 4.6 million referrals during 2022 (up 22% from 2019), with the number of people in contact with mental health services steadily rising<sup>2</sup>. It's therefore important that insurers find ways to manage this increased demand, as well as seeking to improve mental wellbeing in the long-term.



## The importance of early intervention

We've catered for the increasing demand for mental health treatment from 2015 to 2022, primarily by expanding access to Talking Therapies. Our approach to mental health is based on a principle of early intervention - and timely access to treatments, such as CBT and Counselling. These interventions can prevent mental health conditions from worsening and more intensive treatment being needed.



### Talking Therapies helps to prevent conditions from worsening

Between 2015 and 2022, Talking Therapies treatments have increased in volume by more than 500%. At the same time, the number of out-patient, in-patient and day-patient claims actually reduced, indicating that Talking Therapies is playing a key role in treating our members' mental health conditions when they arise. Talking Therapies now account for 85% of all mental health claims.

<sup>1</sup>Mind, 2022. <sup>2</sup>British Medical Association 2023.

1. The case for prevention has never been clearer
2. Everyday care is now an integral part of health insurance
3. Talking Therapies are making a meaningful health impact
4. Earlier cancer screening and diagnosis is needed
5. Technology and data are delivering better patient experiences and outcomes

Despite increases in Talking Therapies claims, real mental health costs (taking medical inflation into account) have reduced by 32% since 2019, due to the efficiency and effectiveness of this treatment in managing mental wellbeing risks.

**32% reduction**  
in medical inflation-adjusted mental health costs 2019-2022.



### Removing barriers to access

Underwriting and pre-existing conditions can represent a key barrier for people seeking to access mental health treatment through their health insurance. Given the prevalence of mental health conditions, **in 2022 we became the first insurer to disregard underwriting for Talking Therapies treatment.**

### Lifestyle behaviours play an important role in mental wellbeing



#### The link between physical and mental wellbeing

As well as Talking Therapies having a positive impact on our long-term physical health, we observed a **17% reduction** in future psychiatric risk for members who recorded at least two active days per week. This further strengthens the case for physical activity to be viewed as a key tool in managing mental wellbeing.



#### Mindfulness on the rise

Our members are increasingly looking to manage their mental wellbeing through mindfulness, with a **16% increase** in the number of sessions being recorded between 2019 and 2022.

### Improved outcomes

There is strong evidence that Talking Therapies are delivering positive patient outcomes:

**99%**  
**do not need further treatment.**  
The vast majority who go through Talking Therapies treatment do not require further mental health treatment within a three-month period.

**Physical health benefits**  
Talking Therapies was also shown to lower future morbidity risk (defined as any non-psychiatric in-hospital claim exceeding £1,000) by **20%**

Talking Therapies reduces members' risk of being hospitalised for mental health by **21%**

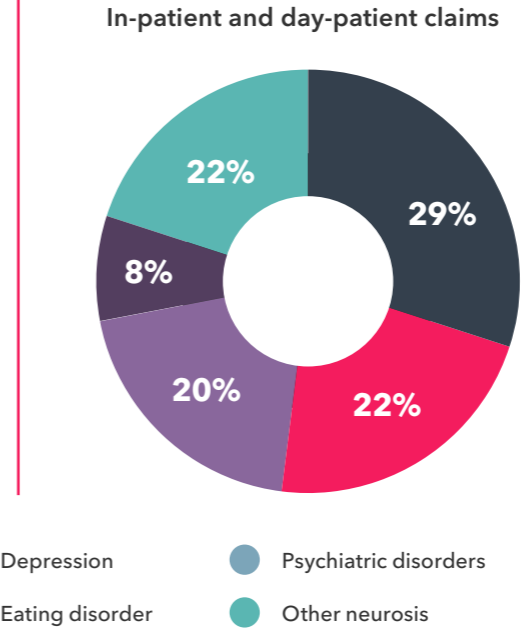
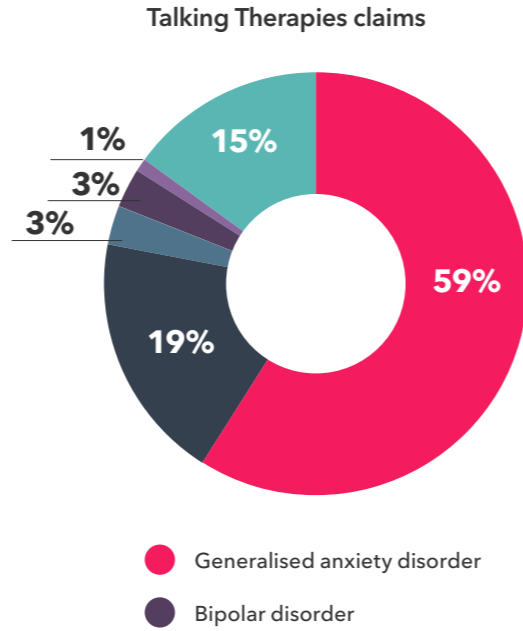


1. The case for prevention has never been clearer
2. Everyday care is now an integral part of health insurance
3. Talking Therapies are making a meaningful health impact
4. Earlier cancer screening and diagnosis is needed
5. Technology and data are delivering better patient experiences and outcomes

**Catering for a range of different mental health conditions**

Generalised anxiety disorder and depression are the most common cause for claims. This is seen most for Talking Therapies where they account for 78% of claims.

In-patient and day-patient claims reflect higher severity and complexity, with 50% being for eating disorders, bipolar disorder and other neuroses.



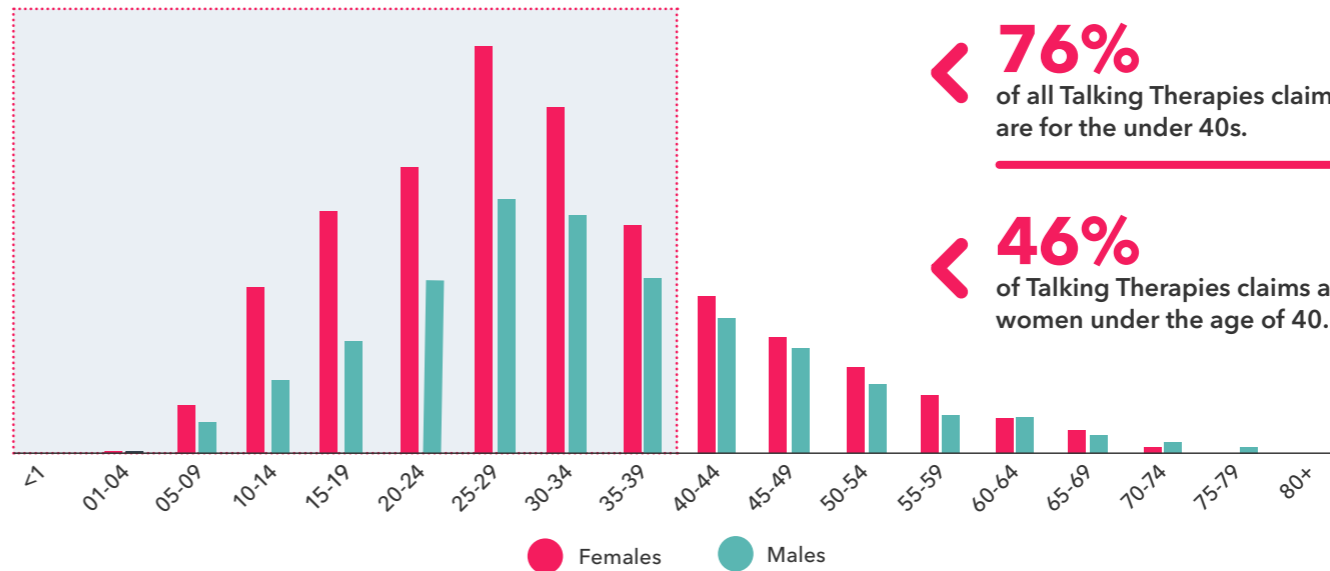
**Vitality Recommends**

**Combine Talking Therapies with support for healthy lifestyles to improve and maintain mental wellbeing.**

**Younger people are particularly at risk**



Talking Therapies claimant rate by age and gender



**76%** of all Talking Therapies claims are for the under 40s.

**46%** of Talking Therapies claims are for women under the age of 40.

1. The case for prevention has never been clearer
2. Everyday care is now an integral part of health insurance
3. Talking Therapies are making a meaningful health impact
4. Earlier cancer screening and diagnosis is needed
5. Technology and data are delivering better patient experiences and outcomes

4

## Earlier cancer screening and diagnosis is needed

With one in two people developing cancer over the course of their lifetime<sup>1</sup>, many people take out health insurance to ensure they and their loved ones have rapid access to a choice of high quality cancer treatment options. Awareness and screening is also key to catching cancer early, and our data shows that members of all ages need to be aware of the risks.



<sup>1</sup>Cancer Research UK, 2019.

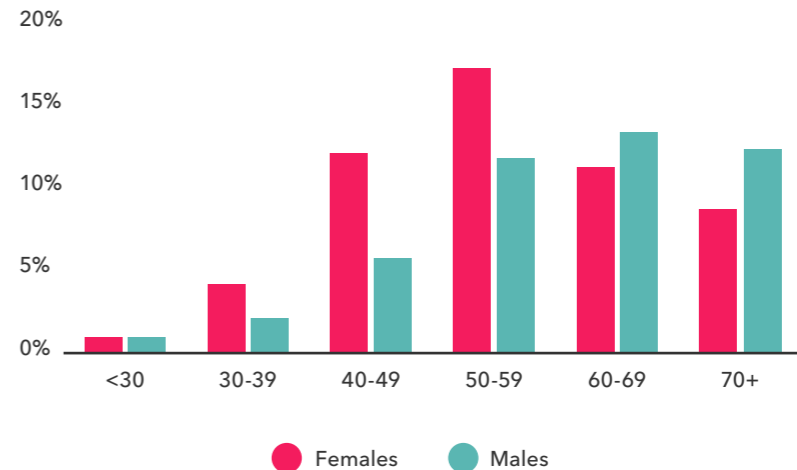
### Cancer risk is not limited to older ages

While our data shows that cancer risk increases with age, **one in four of cancer claims are made by members under the age of 50.**

This picture differs dramatically based on the type of cancer, and for men and women. While prostate cancer claims are much more common for male members over the age of 50, a third of breast cancer claims, and two thirds of cervical cancer claims are from women under the age of 50.

The risk of bowel and skin cancer is also high for younger members, with approximately a quarter of claims being from the under 50s, irrespective of gender.

Breakdown of cancer claims by age and gender



1. The case for prevention has never been clearer

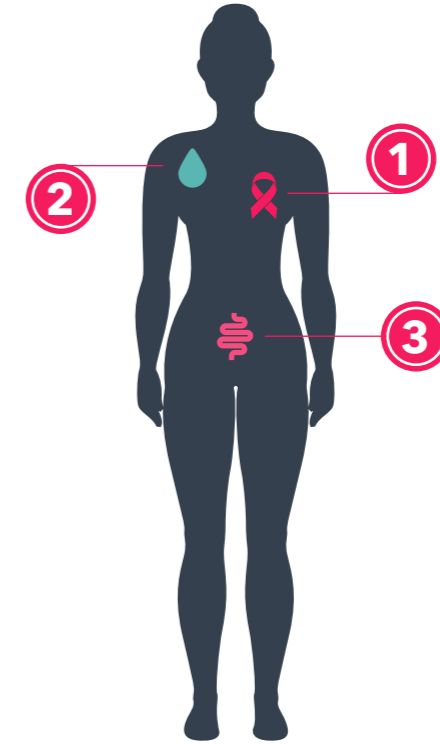
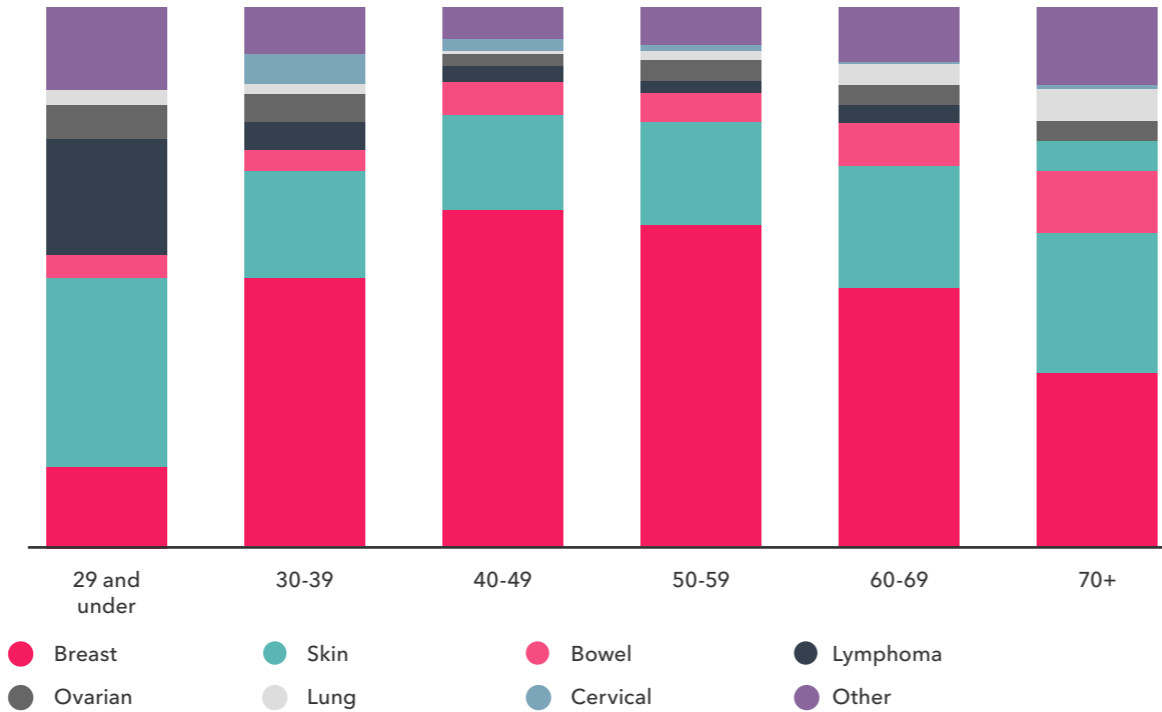
2. Everyday care is now an integral part of health insurance

3. Talking Therapies are making a meaningful health impact

4. Earlier cancer screening and diagnosis is needed

5. Technology and data are delivering better patient experiences and outcomes

### Female cancer claims



Breast cancer was the most prevalent cancer amongst women during the last year, accounting for approximately half of all cancer claims made by women. This was followed by skin cancer and bowel cancer.



**33%** of breast cancer claims are for women under 50.



**65%** of cervical cancer claims are for women under 50.



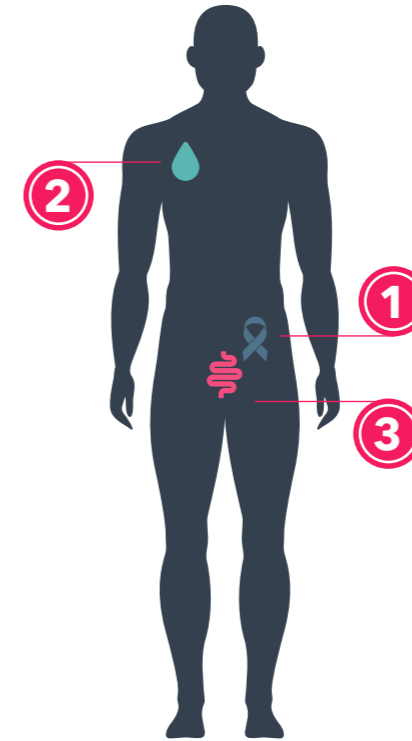
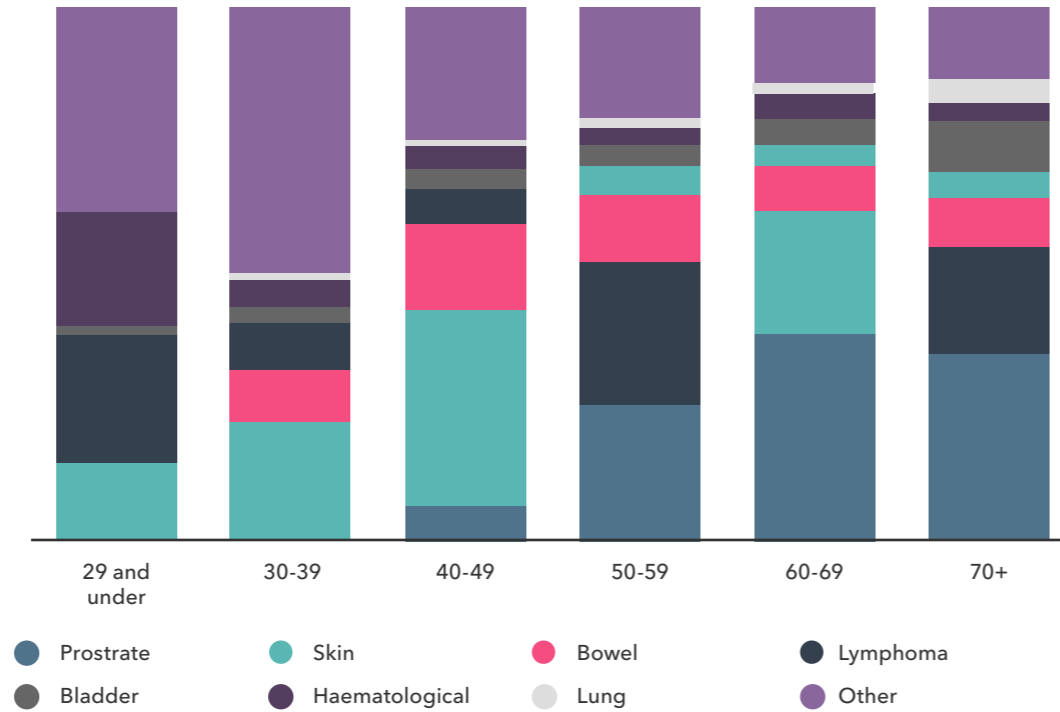
**25%** of all bowel cancer claims are for members aged under 50.



**25%** of all skin cancer claims are for members under the age of 50.

1. The case for prevention has never been clearer
2. Everyday care is now an integral part of health insurance
3. Talking Therapies are making a meaningful health impact
4. Earlier cancer screening and diagnosis is needed
5. Technology and data are delivering better patient experiences and outcomes

### Male cancer claims



Vitality Recommends

Deliver appropriate screening pathways for cancer, alongside effective treatment.



For men under 50, skin cancer and bowel cancer are main causes of cancer claims. However, for men aged 50 and over, prostate cancer becomes the most prominent form of cancer.



Skin cancer is biggest cause of cancer for men **under 50**



Prostate cancer is most common form of cancer for men **Over 50**

1. The case for prevention has never been clearer
2. Everyday care is now an integral part of health insurance
3. Talking Therapies are making a meaningful health impact
4. Earlier cancer screening and diagnosis is needed
5. Technology and data are delivering better patient experiences and outcomes

5

## Technology and data are delivering better patient experiences and outcomes

The rise of smartphones and the adoption of digital technology has led to shifting expectations in healthcare. Innovation is continuing to redefine the healthcare experience, providing key opportunities to create smarter, more seamless journeys into care, and deliver better customer outcomes.



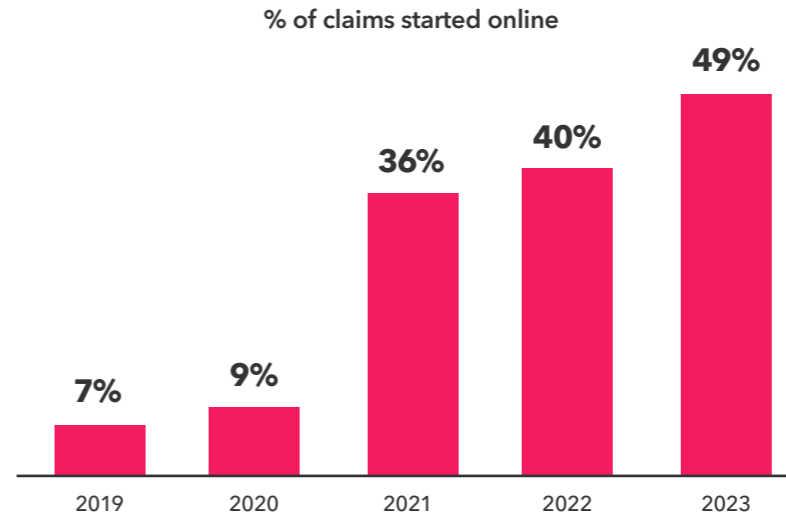
### The role of digital diagnostics

Long waits for diagnostic tests can not only have a serious health impact but can cause significant worry and anxiety. Technology provides an opportunity to deliver certain tests remotely, with a leading proponent of this being digital diagnostics for skin cancer. Vitality was the first insurer in the market to offer Skin Analytics in 2015, through which members can submit photos of suspicious moles or lesions using a dermascope camera (sent via post), which are assessed by a consultant dermatologist.

Of members using the service, approximately 60% are now immediately being given the all-clear to ease their worries, whilst other members are referred to a dermatologist - urgently if required.

### Rapid adoption of digital claims journeys

Since we introduced our Care Hub in 2021 - the first platform of its kind in the health insurance market - the adoption of our digital claims journey has been rapid. Members can start the claims journey online, receive immediate authorisation and book a consultant of their choice. Today, just under half of all claims are started online.



### Skin Analytics



**4 days**  
average time from  
referral to results for  
digital skin diagnostics



**60%**  
of members using  
digital skin diagnostics  
given immediate  
all clear



Around  
**50%**  
of claims start online



Our 2022 results  
at a glance

1. The case for prevention has never been clearer
2. Everyday care is now an integral part of health insurance
3. Talking Therapies are making a meaningful health impact
4. Earlier cancer screening and diagnosis is needed
5. Technology and data are delivering better patient experiences and outcomes

## A data-driven approach to consultant recommendations

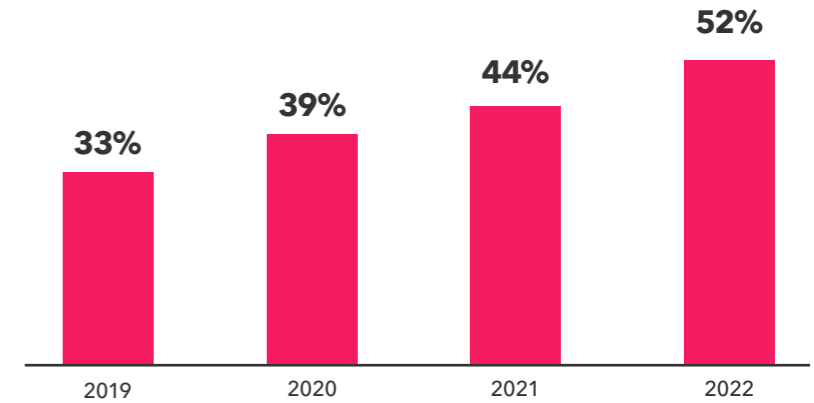
Using our consultant-finder tool, Care Hub gives members a choice of suitable consultants based on factors such as availability, specialism and location. It also provides relevant information on their profile including patient reviews. To add further transparency and create peace of mind for members, Care Hub also signposts consultants on our Premier Consultant panel. This is a panel of consultants, assessed using over 400 data points, proven to deliver superior patient outcomes and more efficient treatment journeys.

### Better patient outcomes

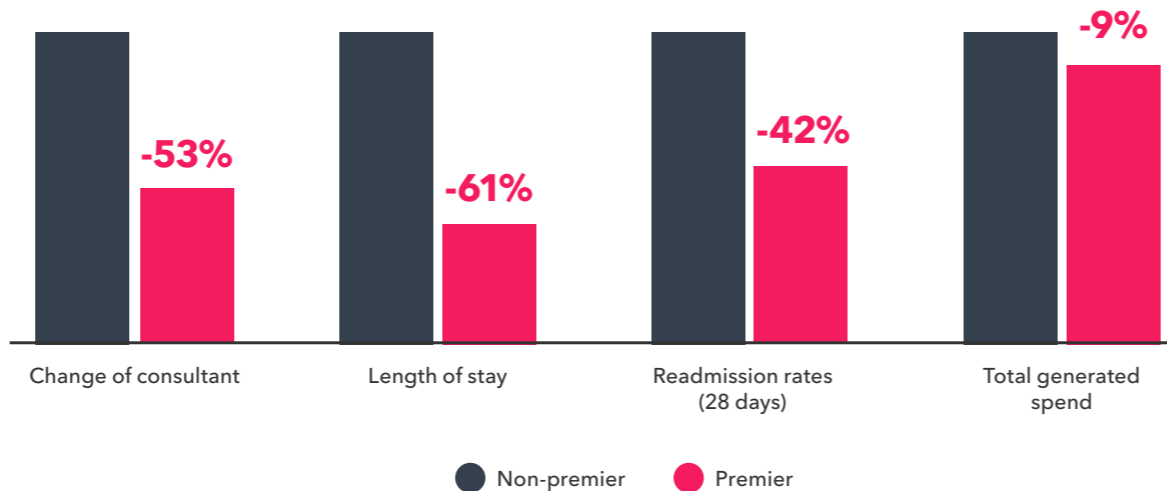
In 2022, members seen by a Premier Consultant experienced shorter lengths of stay, lower re-admission rates, and were less likely to change their consultant.

Since the introduction of Premier Consultants, increasing numbers of members have opted to see these consultants. More than half of members now book to see Premier Consultants.

% of members seeing a Premier Consultant



Premier Consultant performance 2022



**Vitality Recommends**

**Harness data and technology to deliver patient-centric healthcare journeys.**

1. The case for prevention has never been clearer

2. Everyday care is now an integral part of health insurance

3. Talking Therapies are making a meaningful health impact

4. Earlier cancer screening and diagnosis is needed

5. Technology and data are delivering better patient experiences and outcomes

17

## Five recommendations

Based on current market trends and our analysis of claims data.



1

Prioritise prevention in the form of healthier lifestyles and appropriate screenings.



2

Provide inclusive everyday care benefits and highlight how these can deliver value from day one.



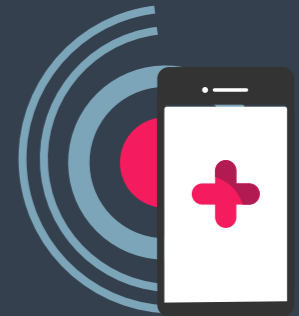
3

Combine Talking Therapies with support for healthy lifestyles to improve and maintain mental wellbeing.



4

Deliver appropriate screening pathways for cancer, alongside effective treatment.



5

Harness data and technology to deliver patient-centric healthcare journeys.

