



Health Co.

-Health Insurance Company



Profit

Assess Risk Ability

Price Risk Ability

Cost Cutting Method



Procedure

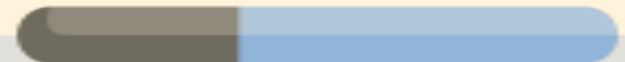
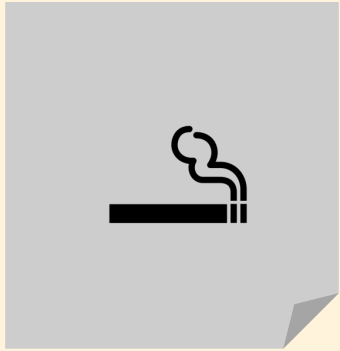
- **Analysis on data**

- **Assess and price 'cost relating' factors**

- **Strategies**



What could influence health care cost

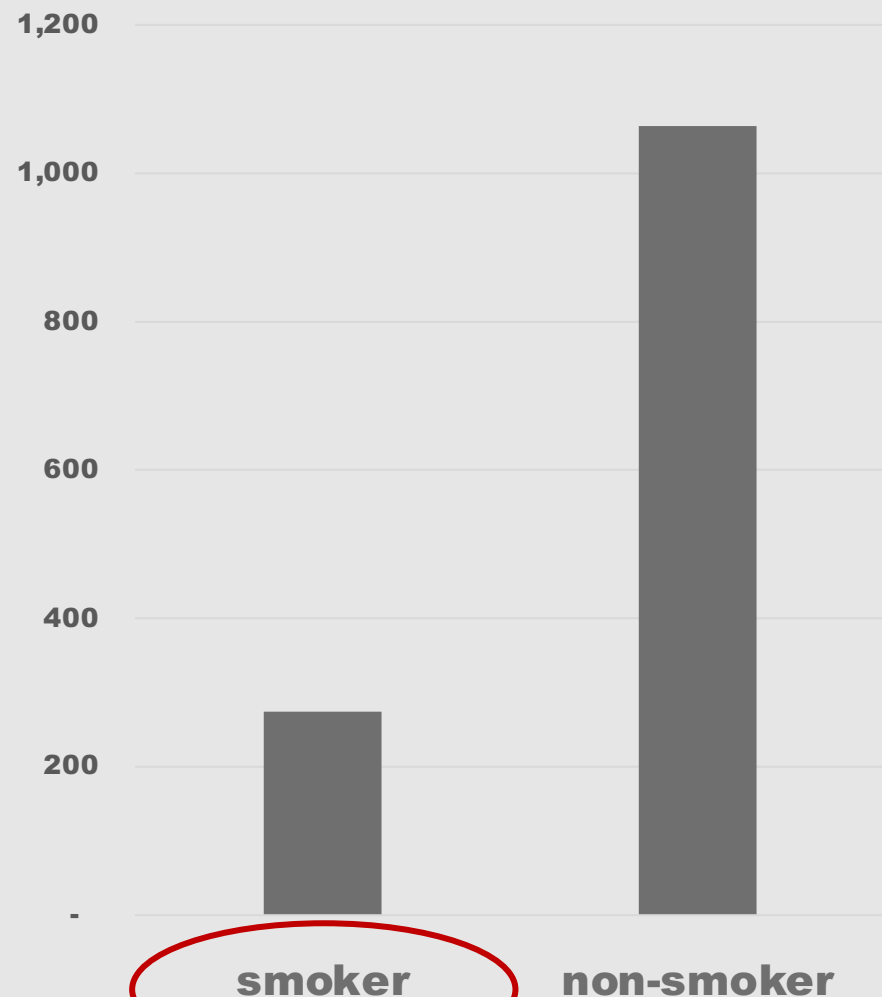


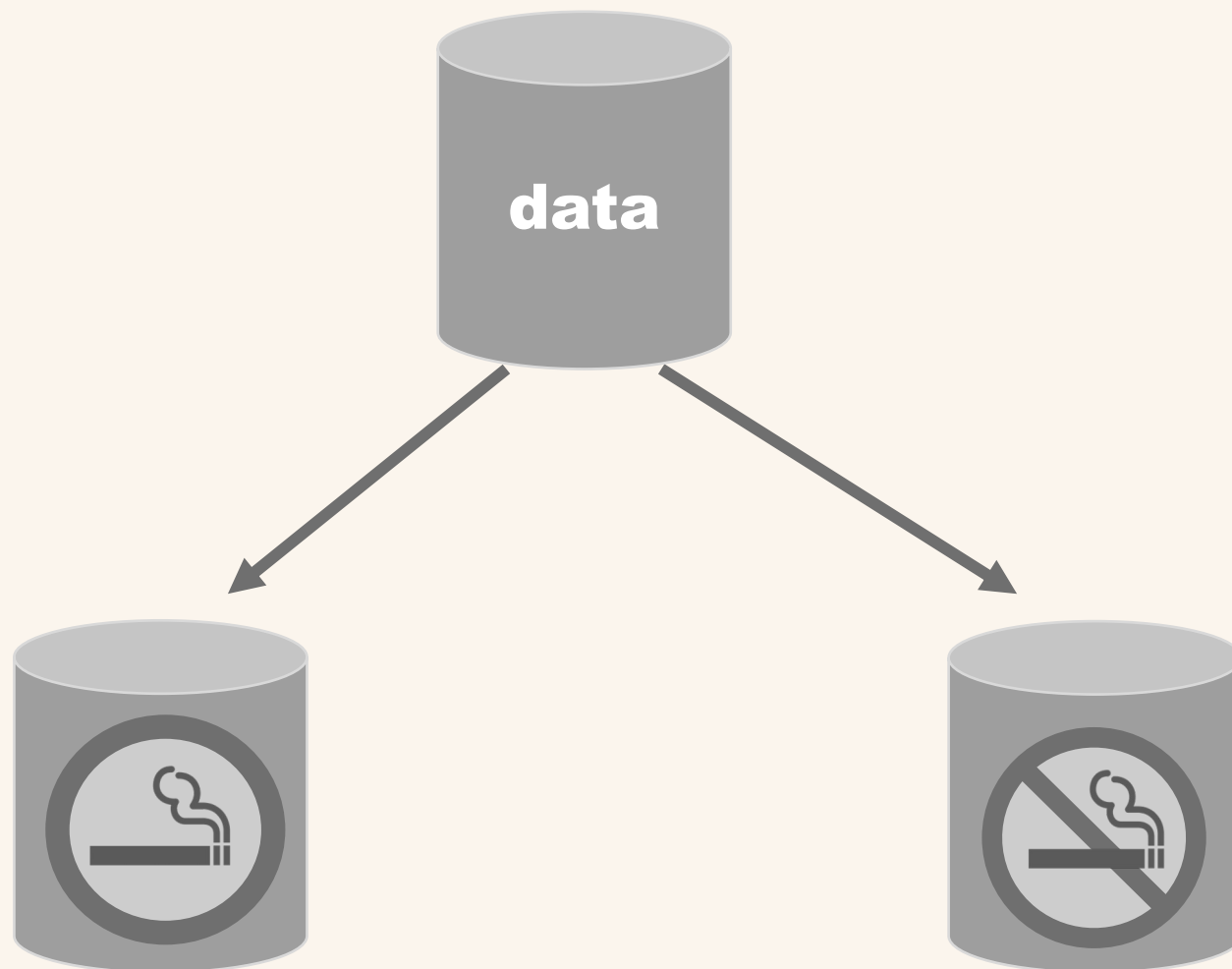


No. Customer



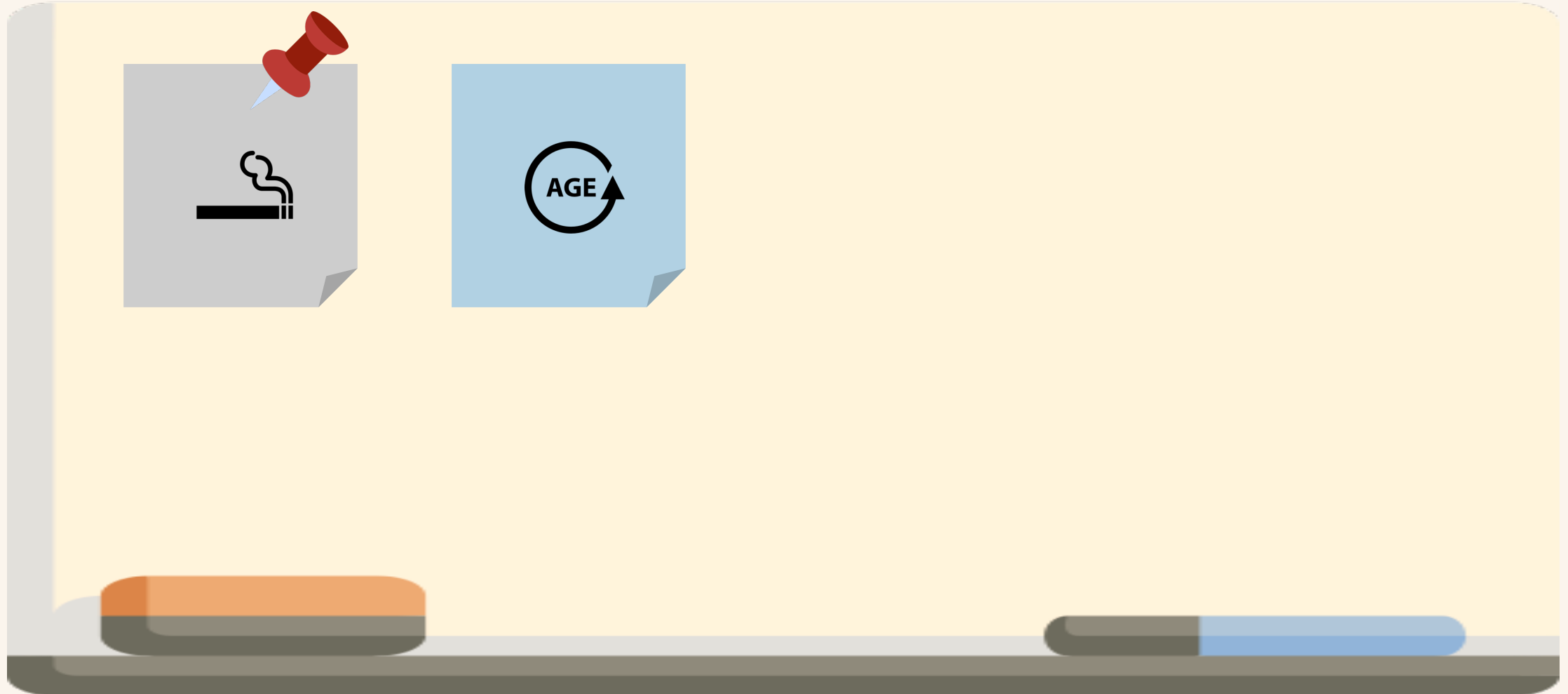
Median Cost

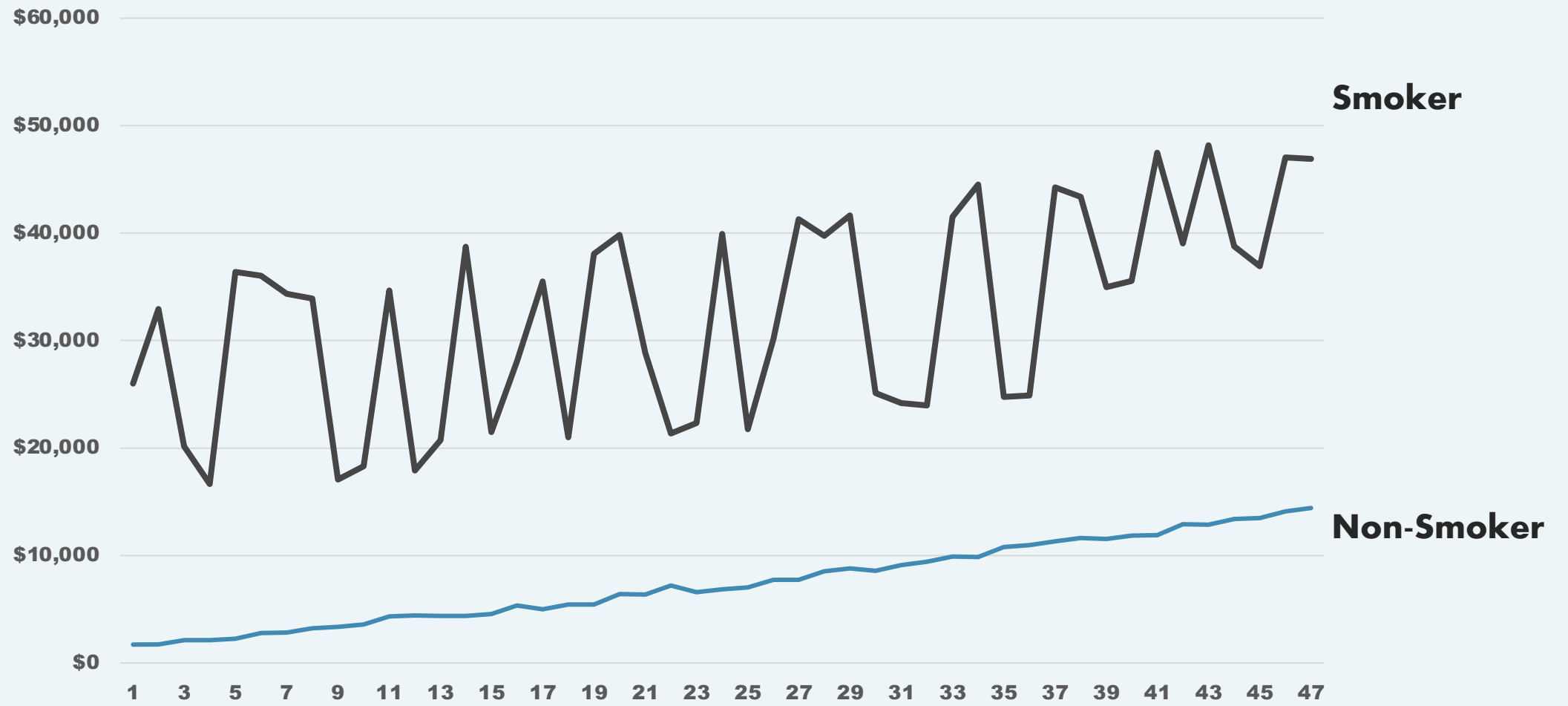






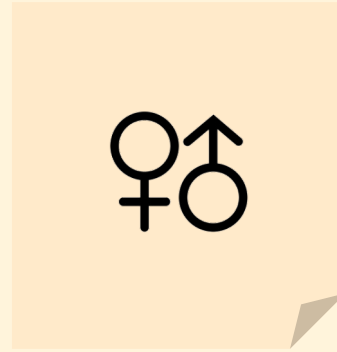
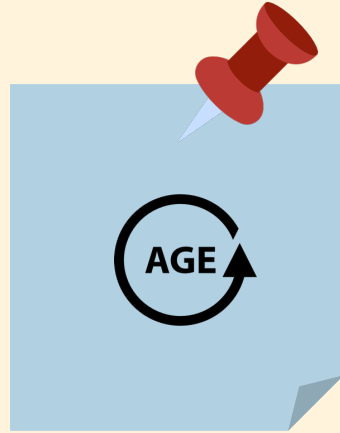
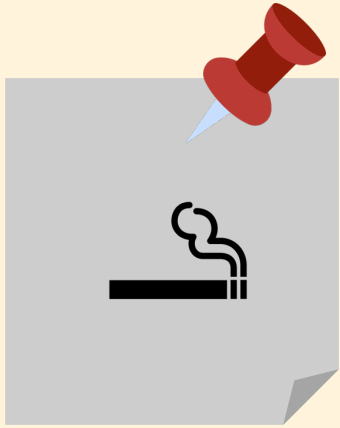
What could influence health care cost

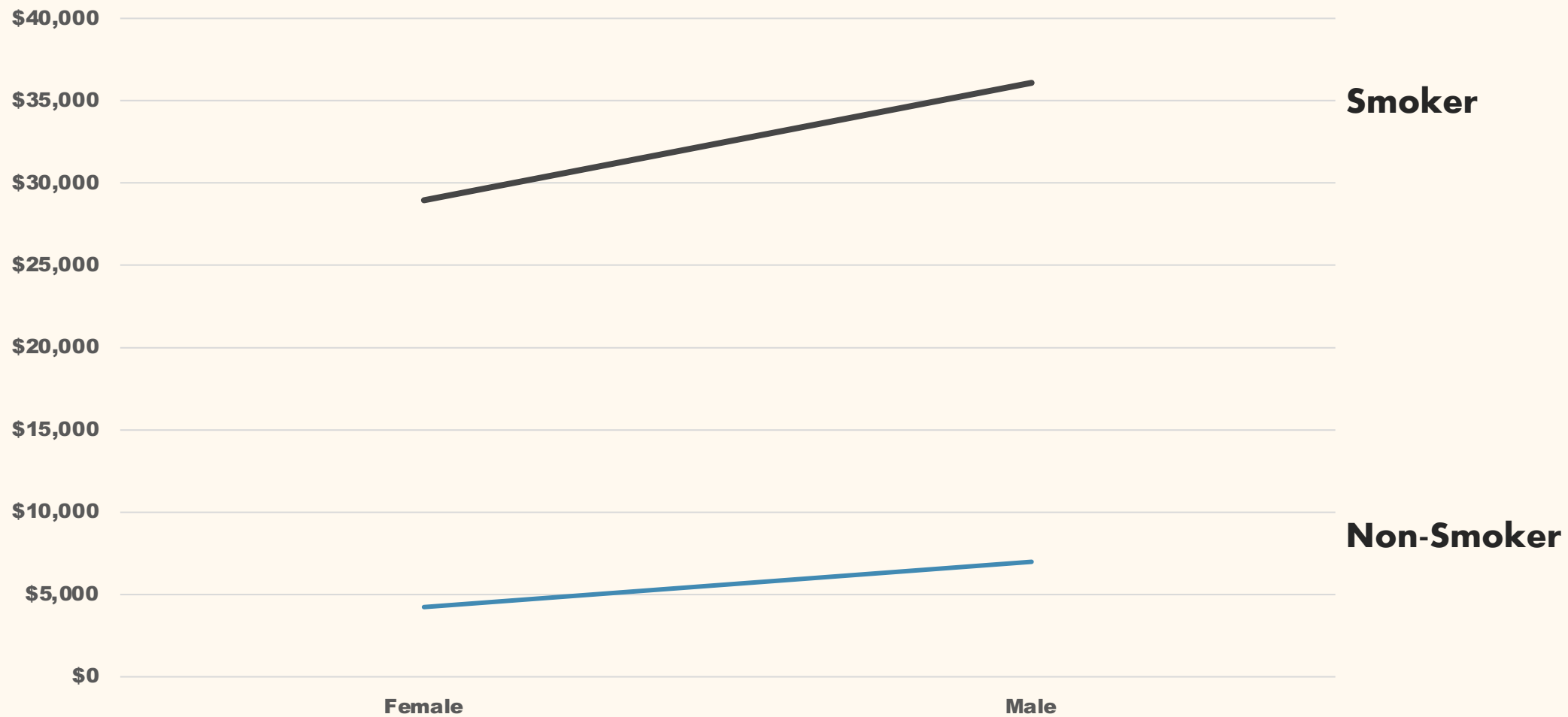






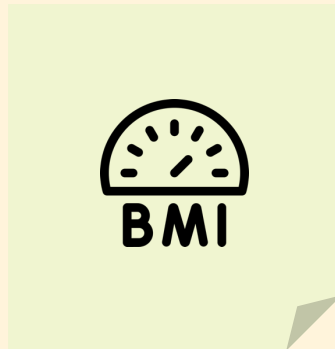
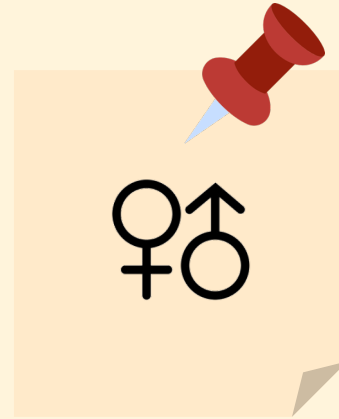
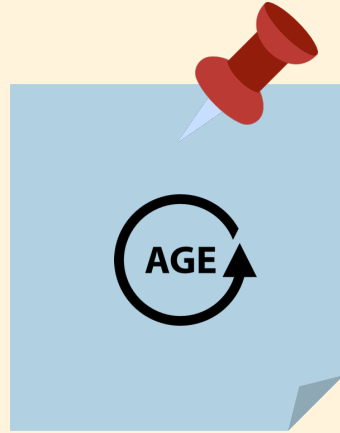
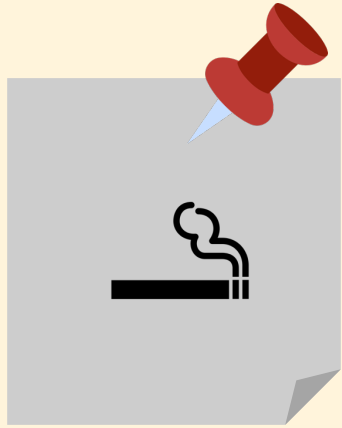
What could influence health care cost

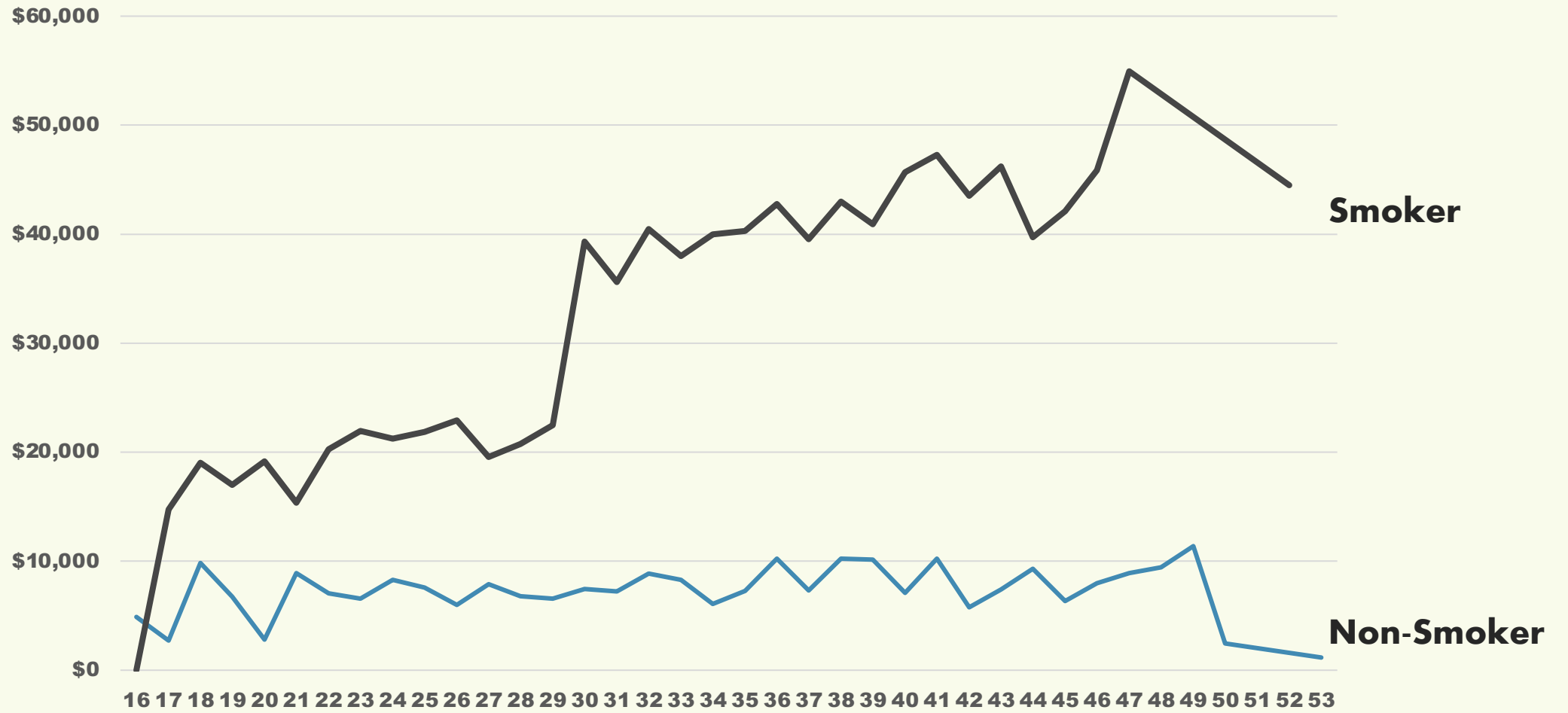






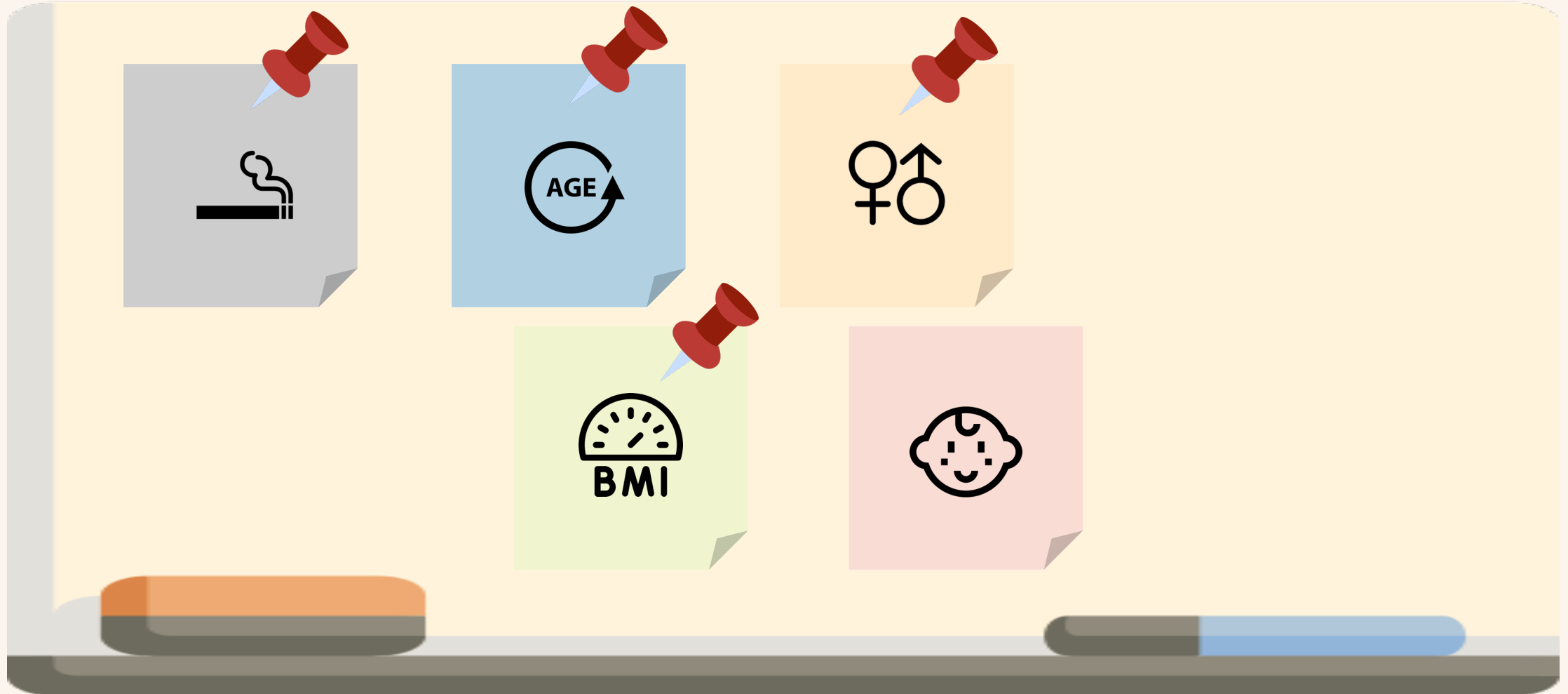
What could influence health care cost

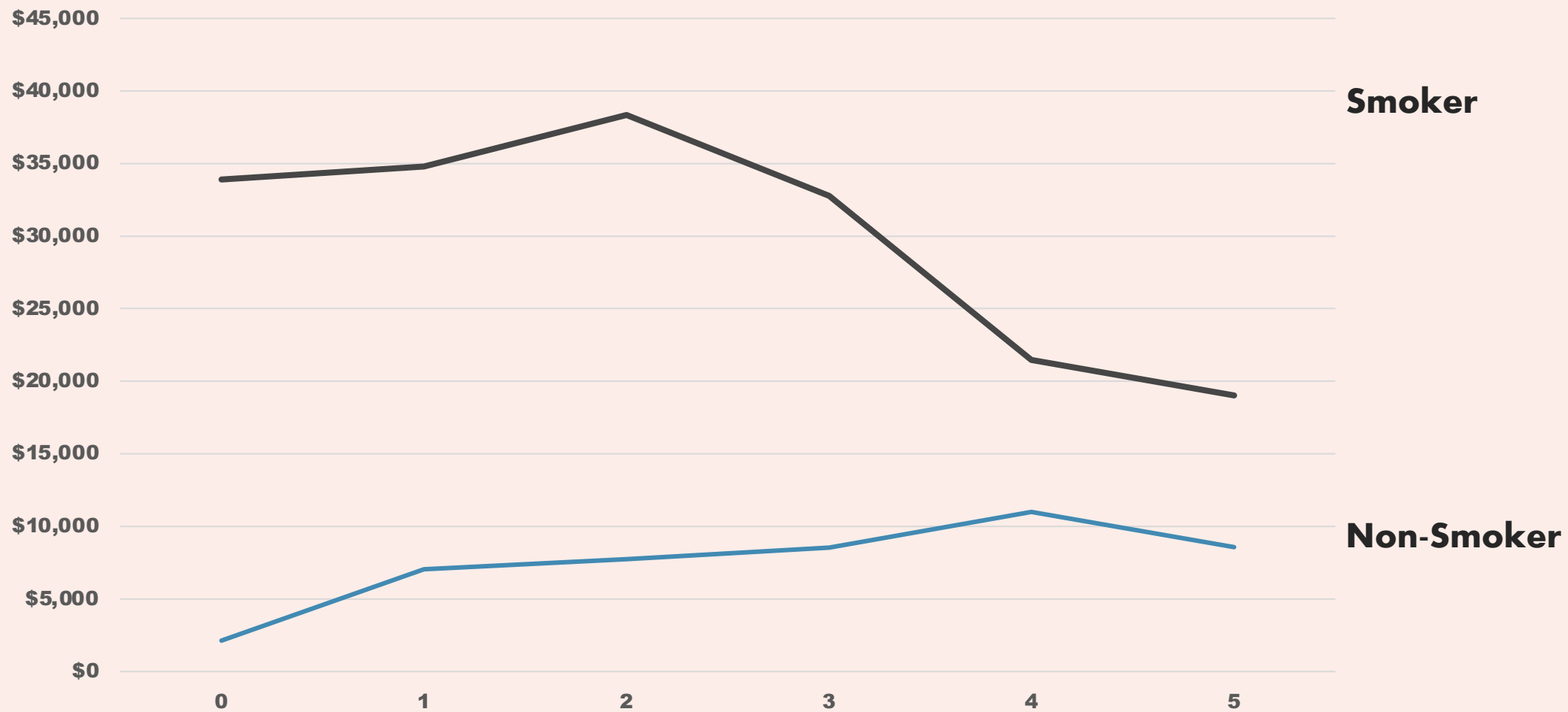






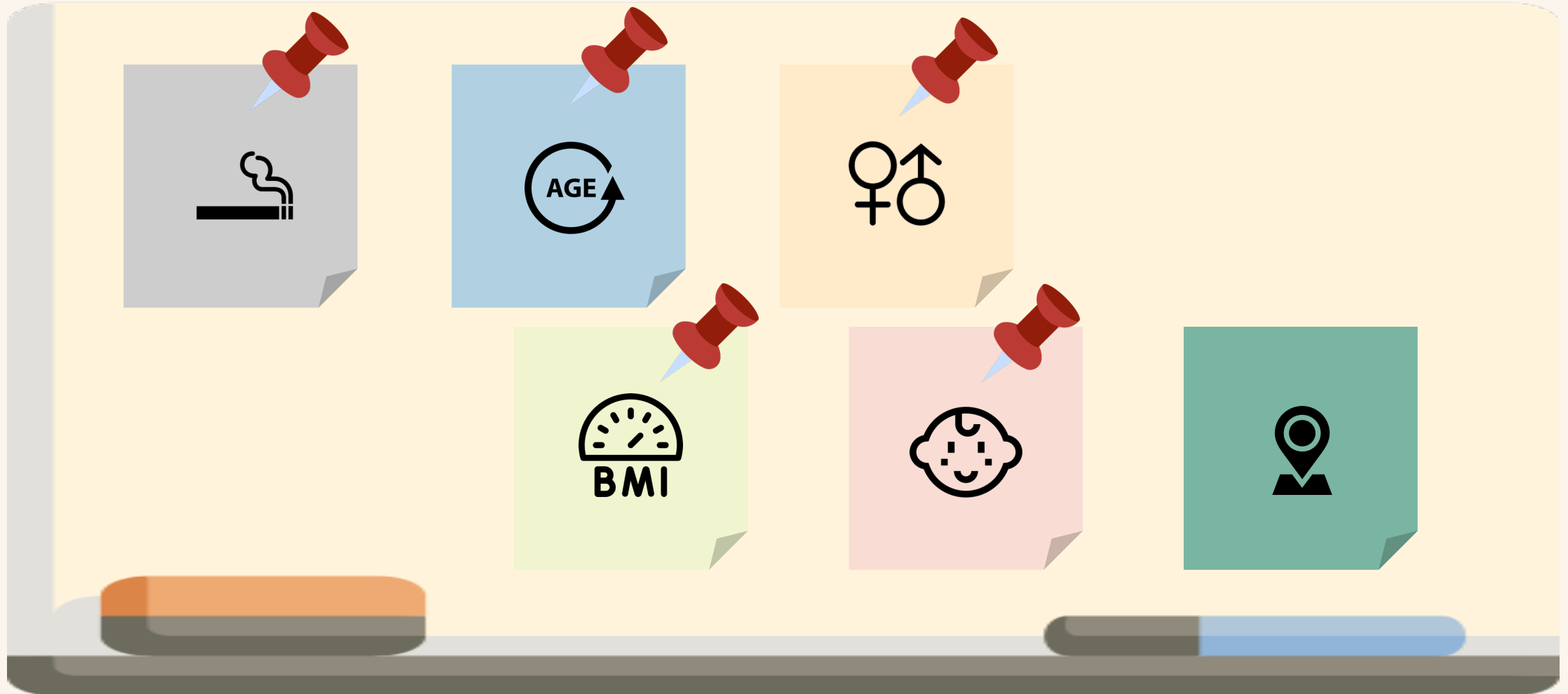
What could influence health care cost

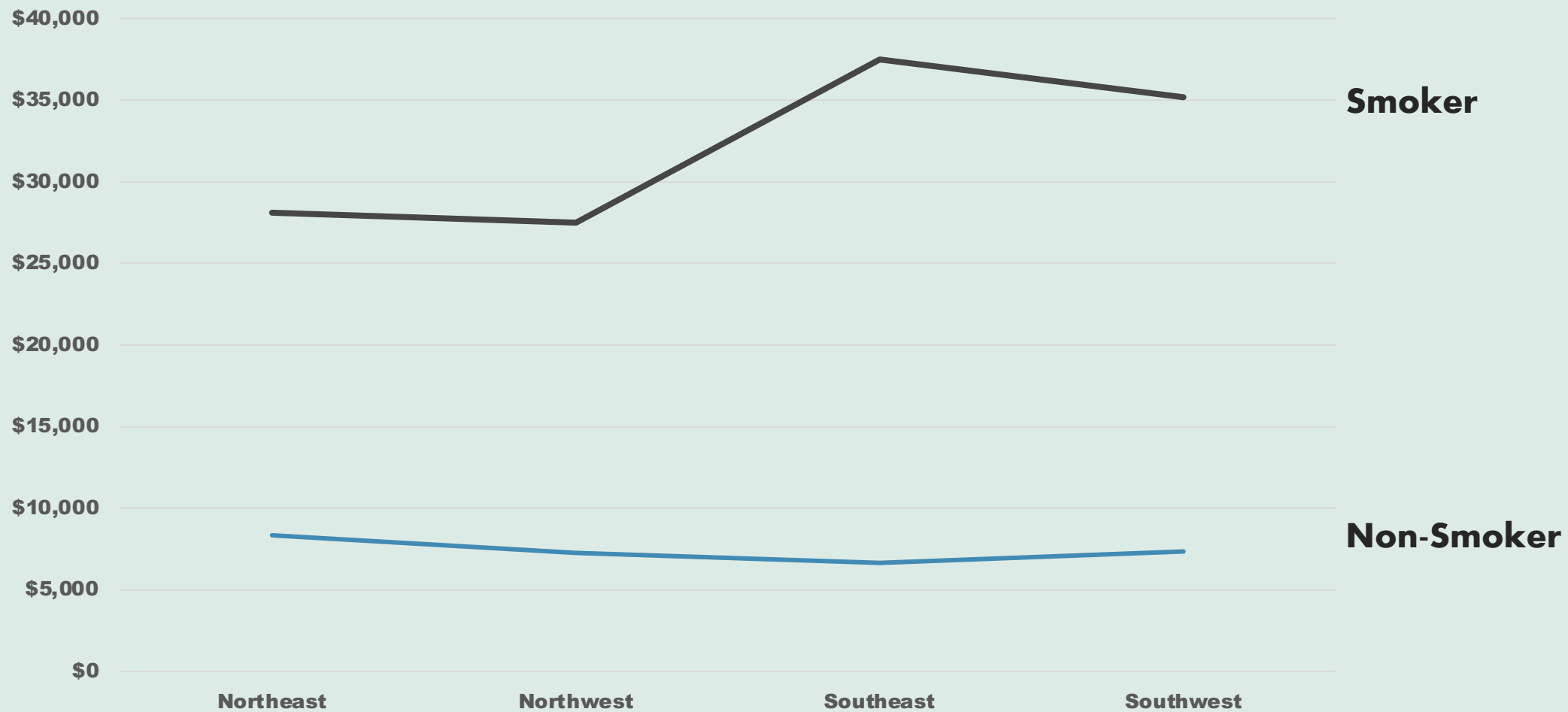






What could influence health care cost





Cost Borne by Health Co

[smoke/non smoke]

data

```
graph TD; data[(data)] --> smoke[(smoke)]; data --> nonsmoke[(non-smoke)];
```

The diagram illustrates a data split. A central cylinder labeled 'data' has two arrows pointing outwards to two other cylinders. The left cylinder contains a cigarette icon, representing the 'smoke' group. The right cylinder contains a cigarette icon with a diagonal line through it, representing the 'non-smoke' group.

Cost Borne by Health Co

$$\begin{aligned} &= -22367.450 + 266.292 \times \text{Age} \\ &\quad + 1438.091 \times \text{BMI} \end{aligned}$$

Cost Borne by Health Co

$$\begin{aligned} &= -2658.799 + 265.571 \times \text{Age} \\ &\quad + 581.056 \times \text{Children} \end{aligned}$$

Cost Borne by Health Co

(smoke/non smoke)

data

```
graph TD; data[(data)] --> smoke[(smoke)]; data --> nonsmoke[(non-smoke)];
```



Cost Borne by Health Co

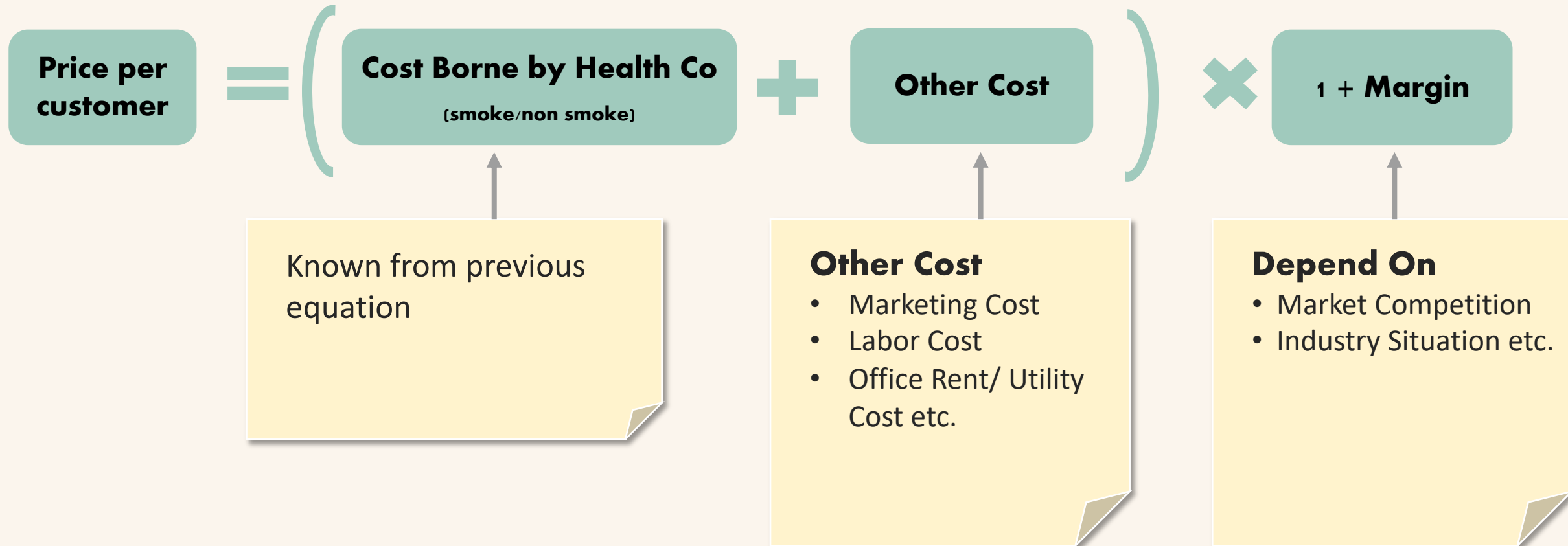
$$\begin{aligned} &= -22367.450 + 266.292 \times 21 \\ &\quad + 1438.091 \times 28 \\ &= 23491 \end{aligned}$$



Cost Borne by Health Co

$$\begin{aligned} &= -2658.799 + 265.571 \times \text{Age} \\ &\quad + 581.056 \times \text{Children} \end{aligned}$$

Cost-plus pricing strategy



? Cost Mitigation Strategy



Quit Smoking Campaign



Cooperate

- Gain advertisement fee
- Product selling margin



nicorette
let's do something incredible



Publicize

- Cost difference
- Negative health impact



Discount/ Cashback

- If they choose to quit



