



# Health Co.

## -Health Insurance Company



**Profit**

**Assess Risk Ability**

**Price Risk Ability**

**Cost Cutting Method**



## Procedure

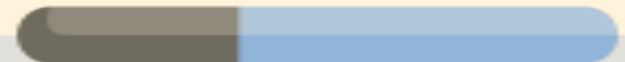
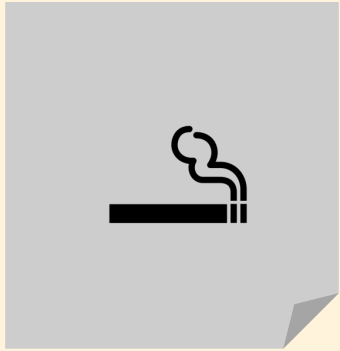
- **Analysis on data**

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

- **Strategies**



## What could influence health care cost

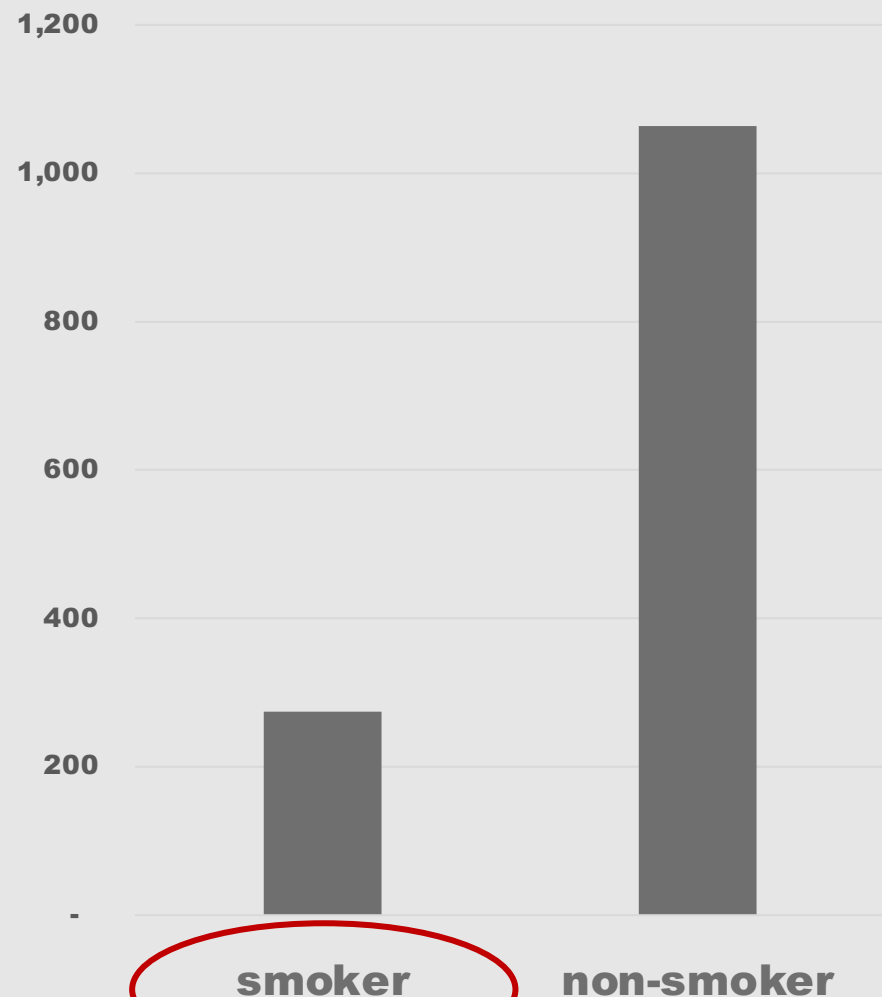


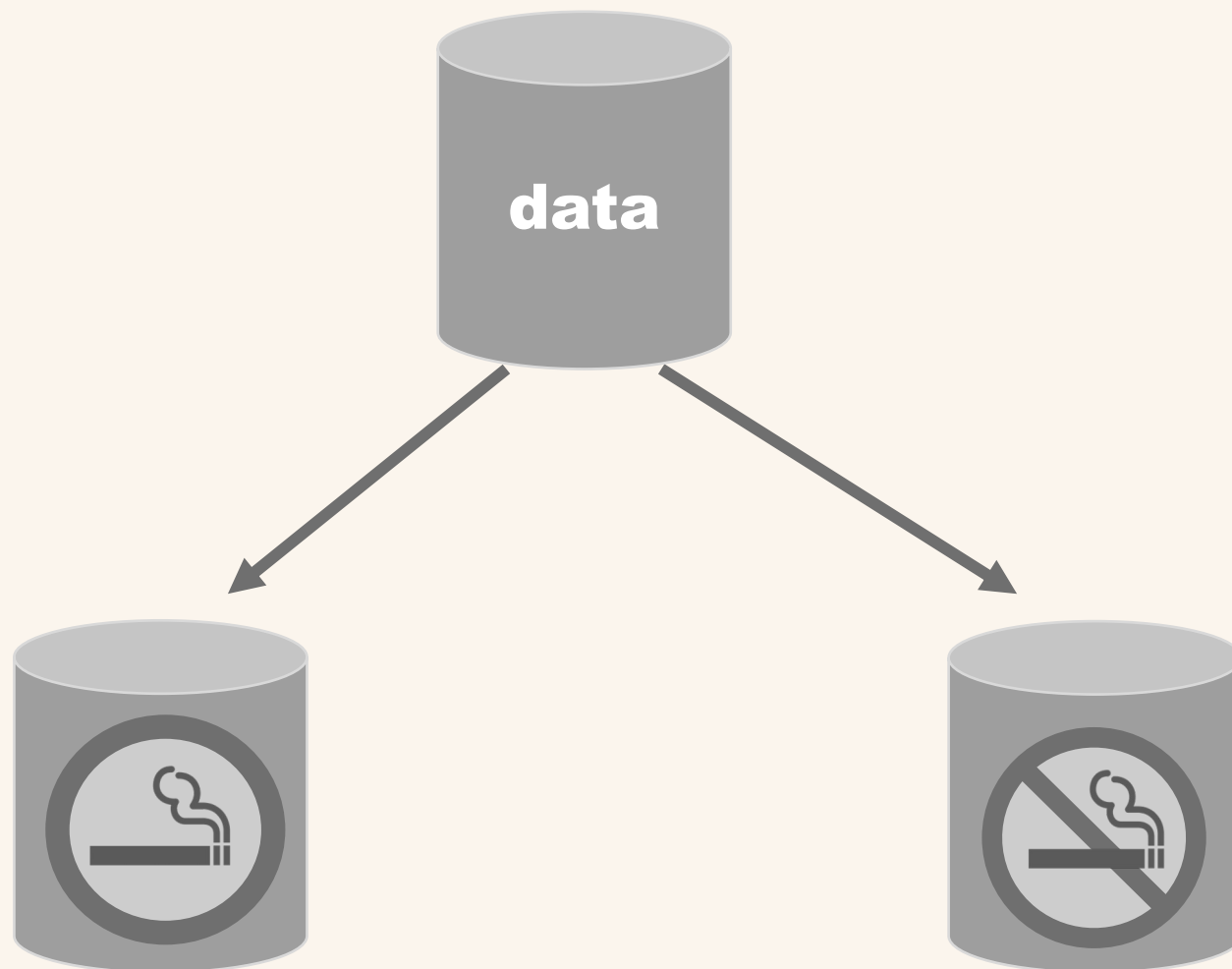


**No. Customer**



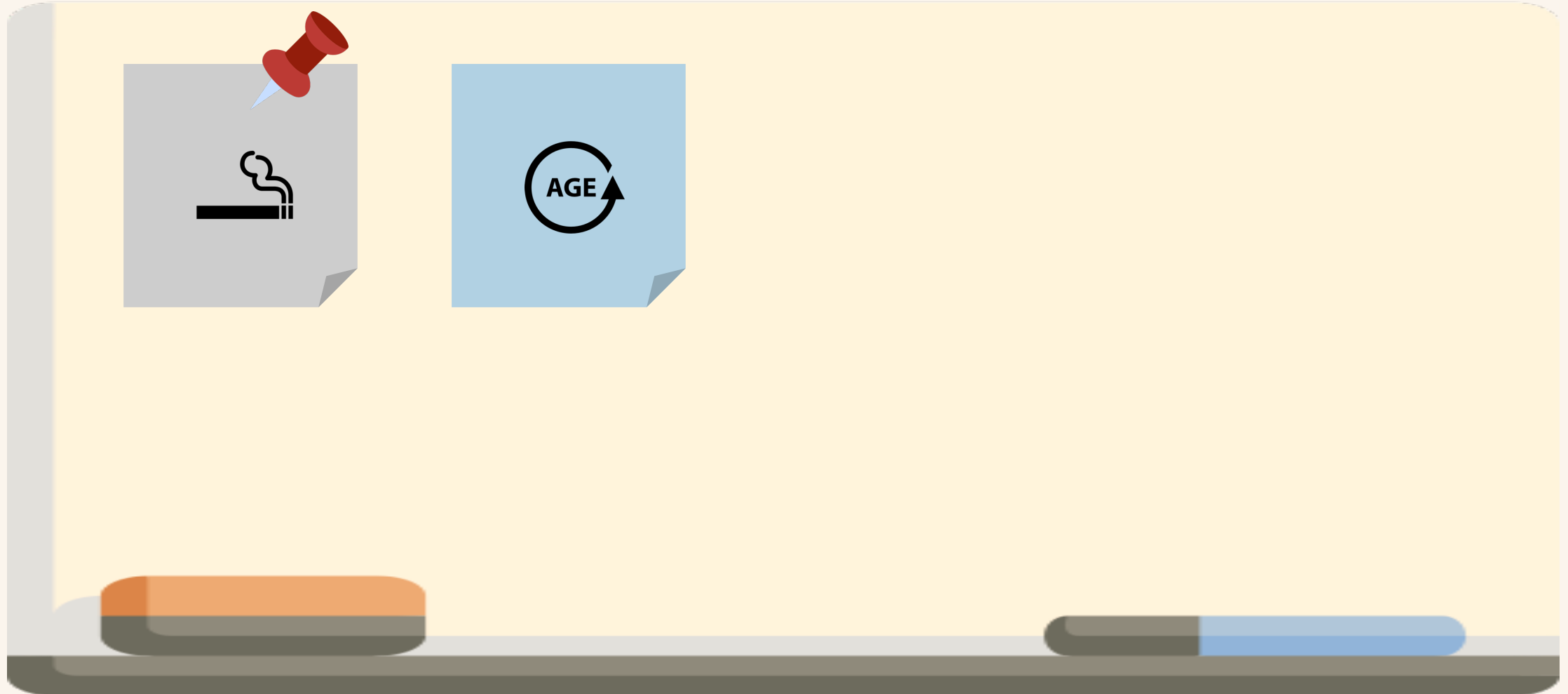
**Median Cost**

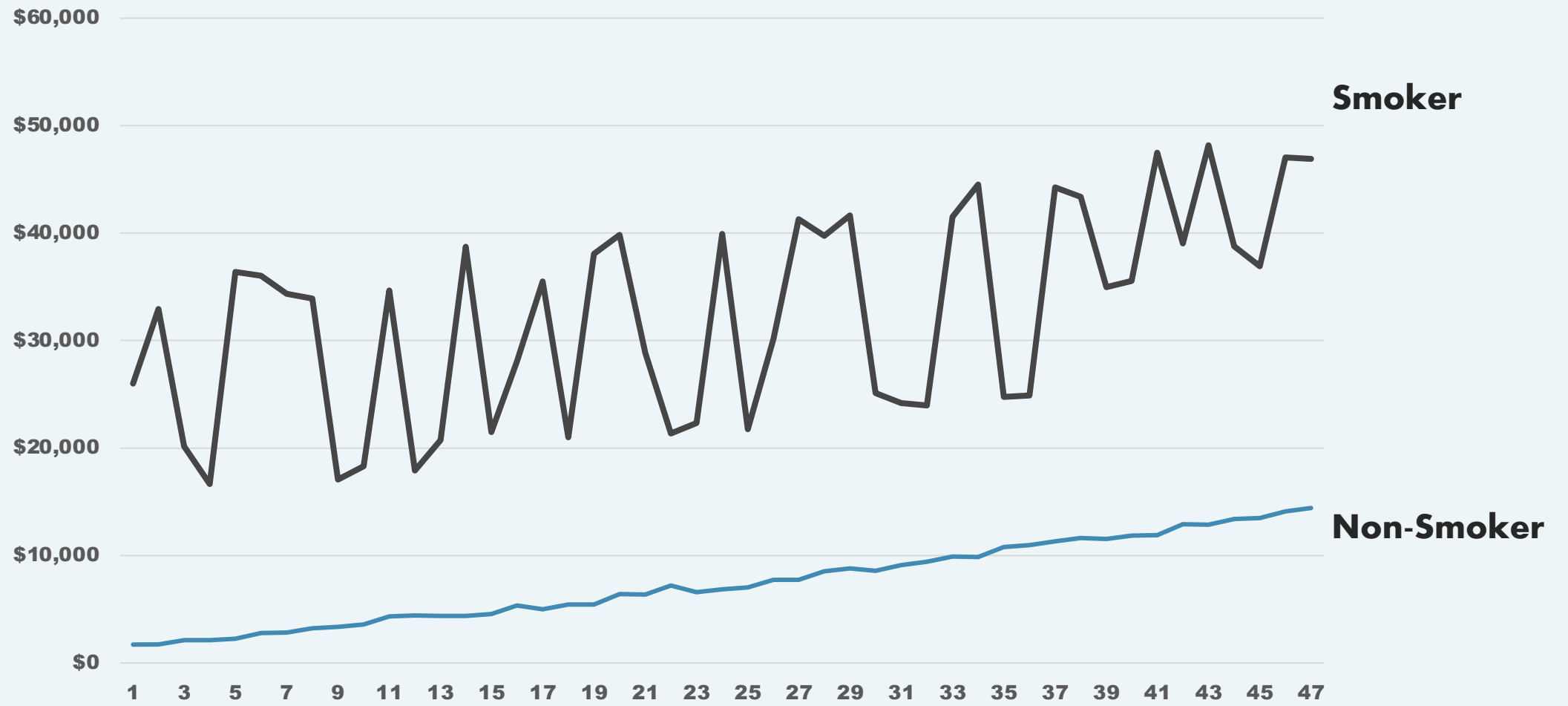






## What could influence health care cost

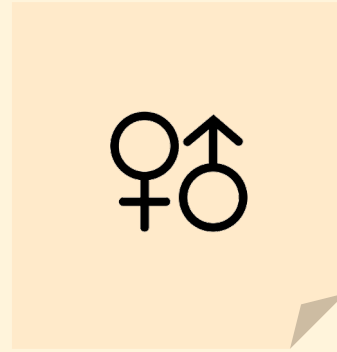
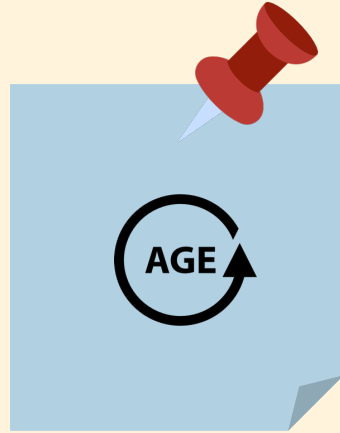
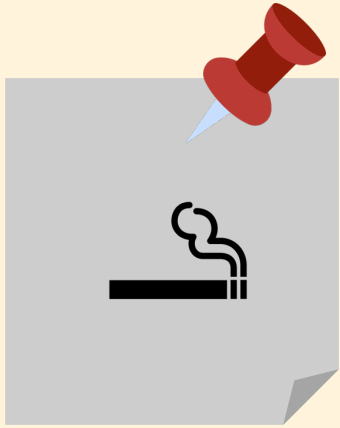


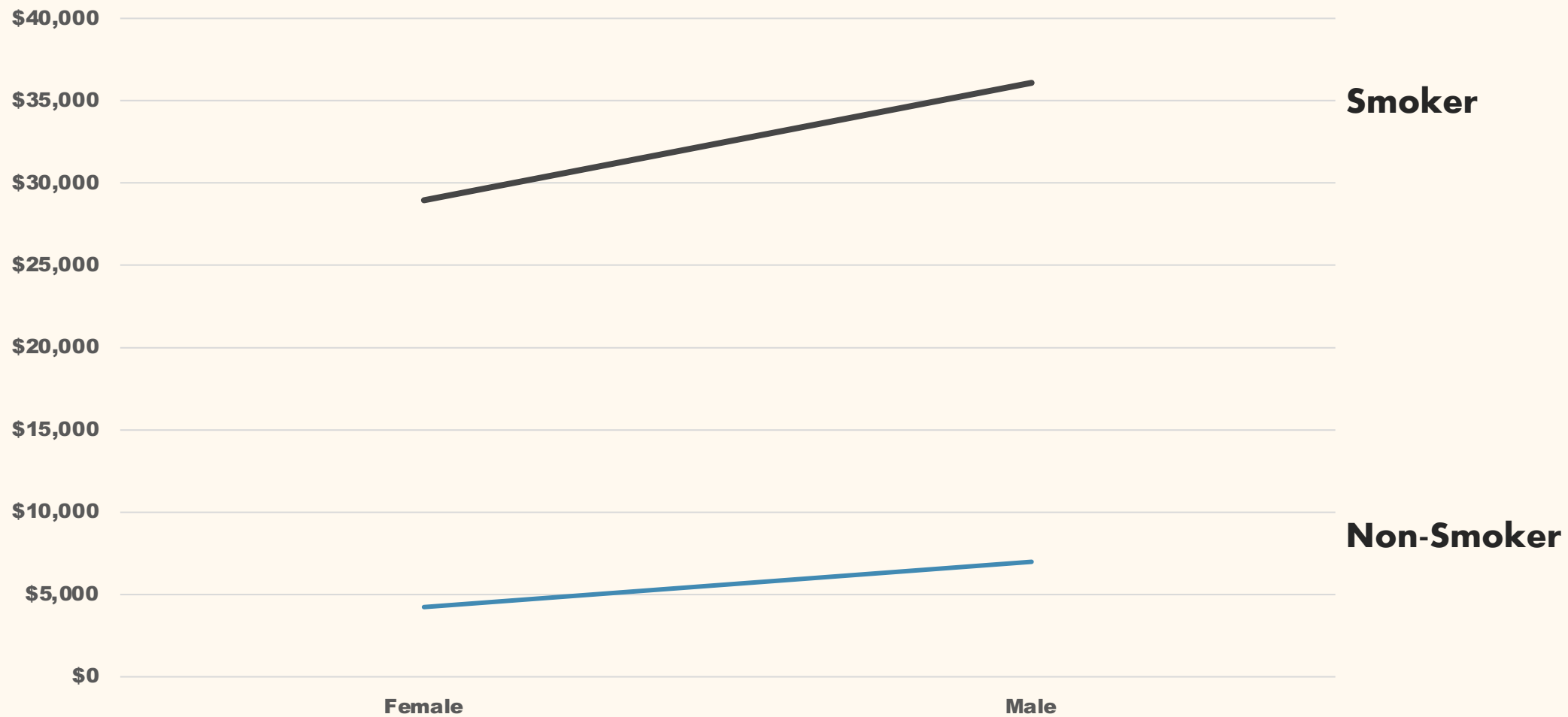






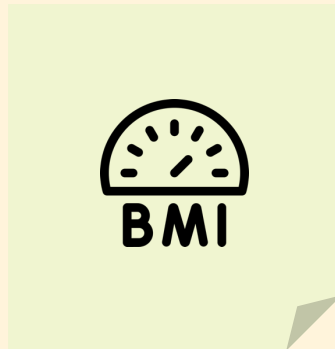
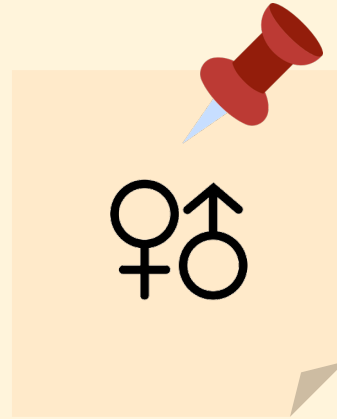
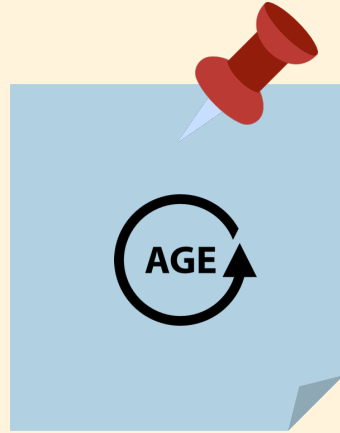
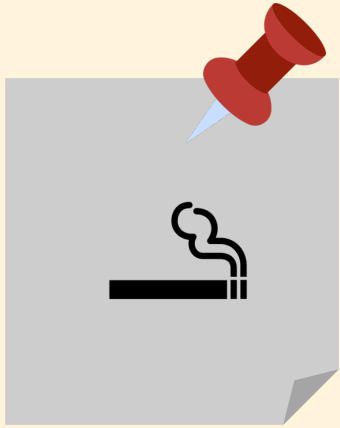
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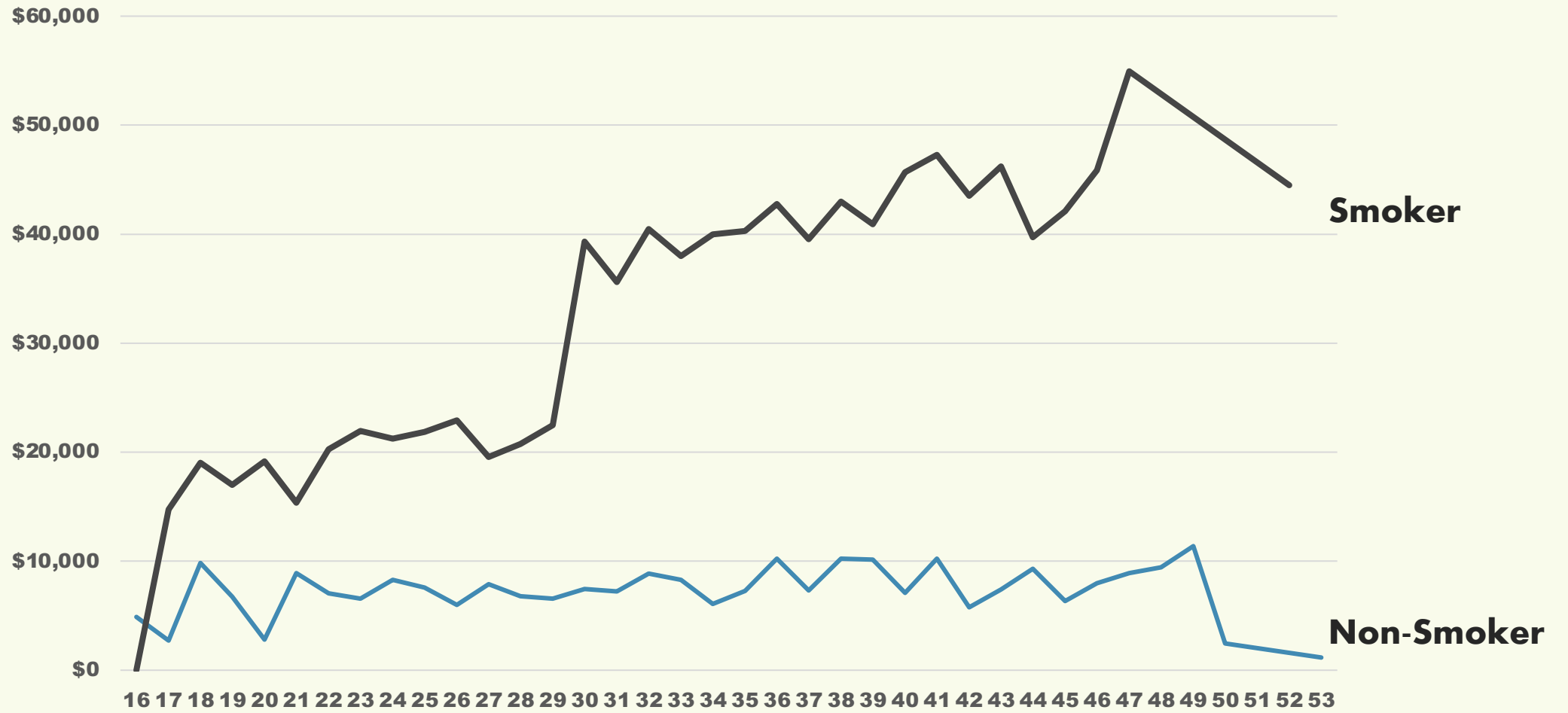






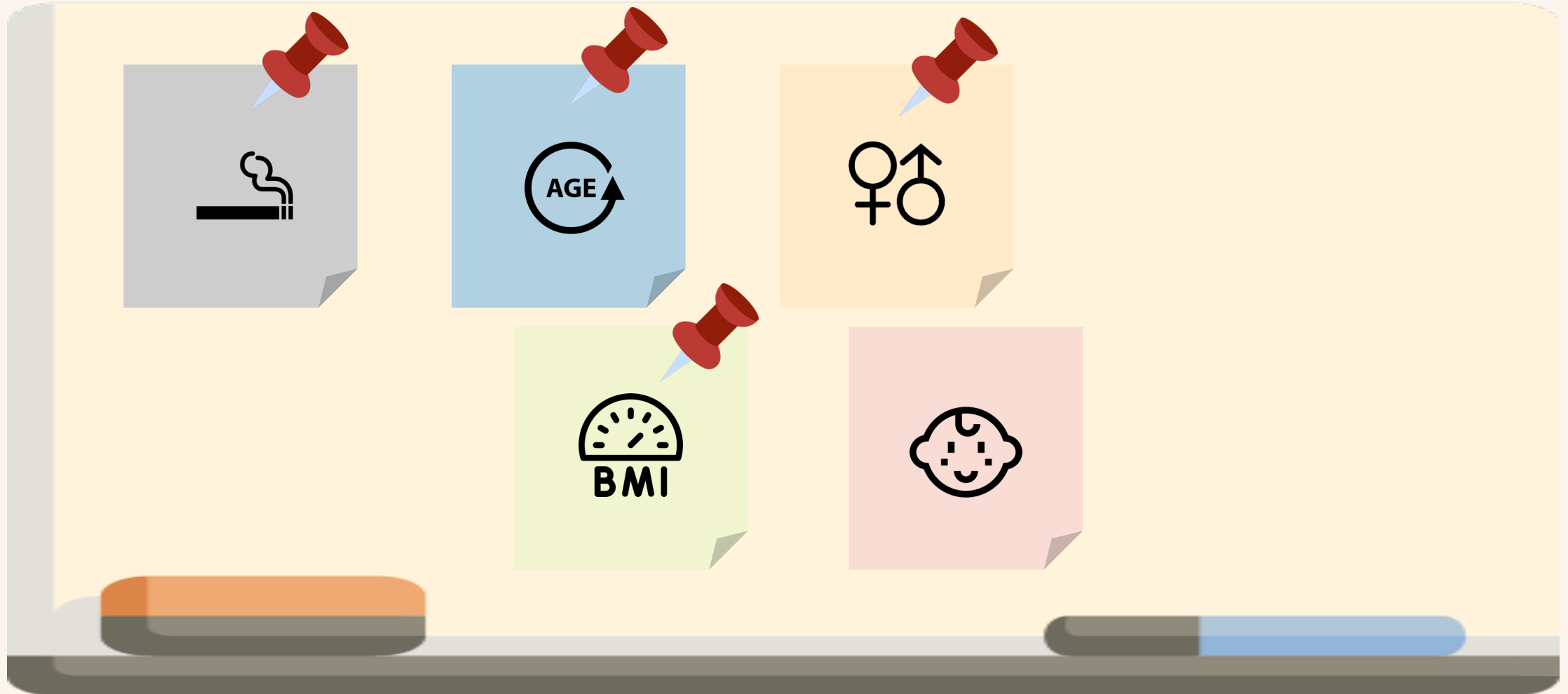
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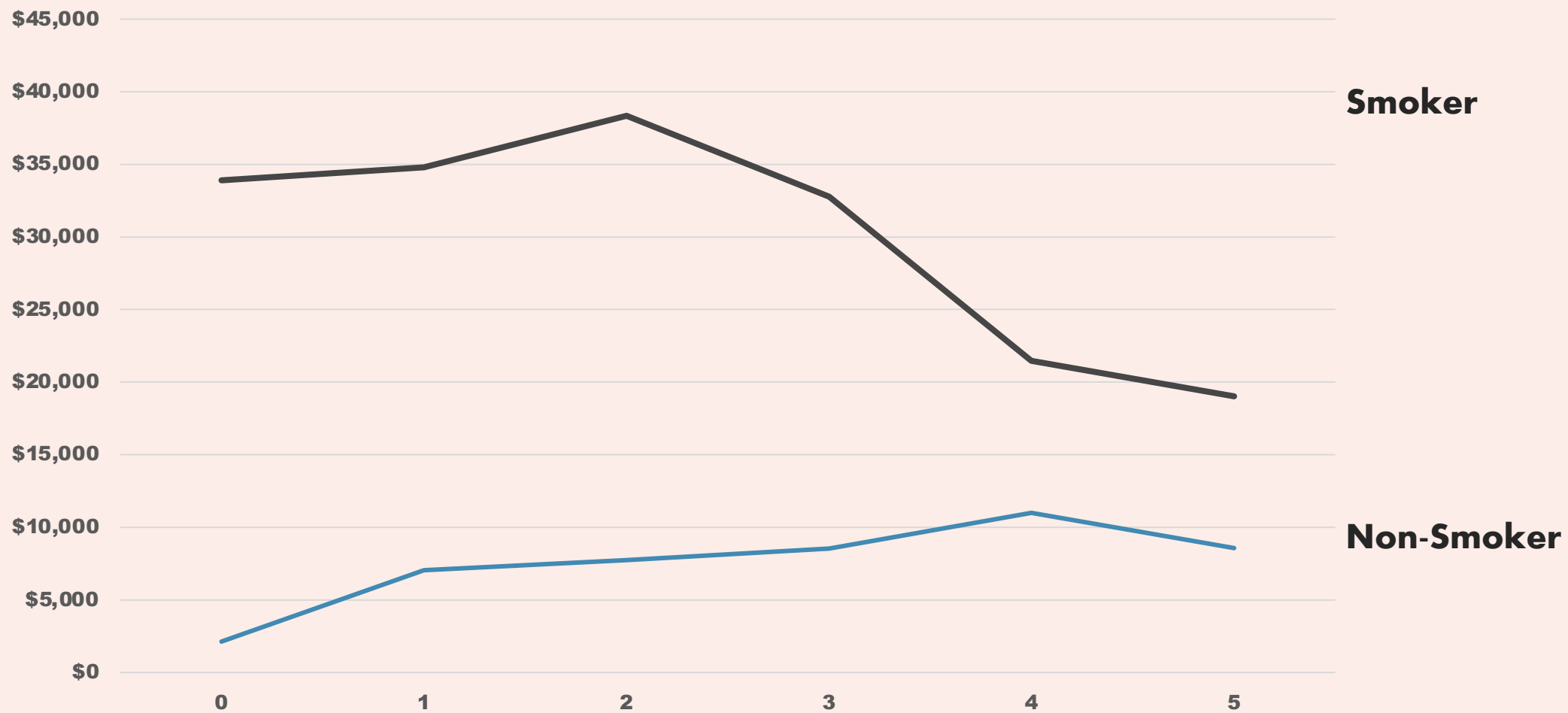






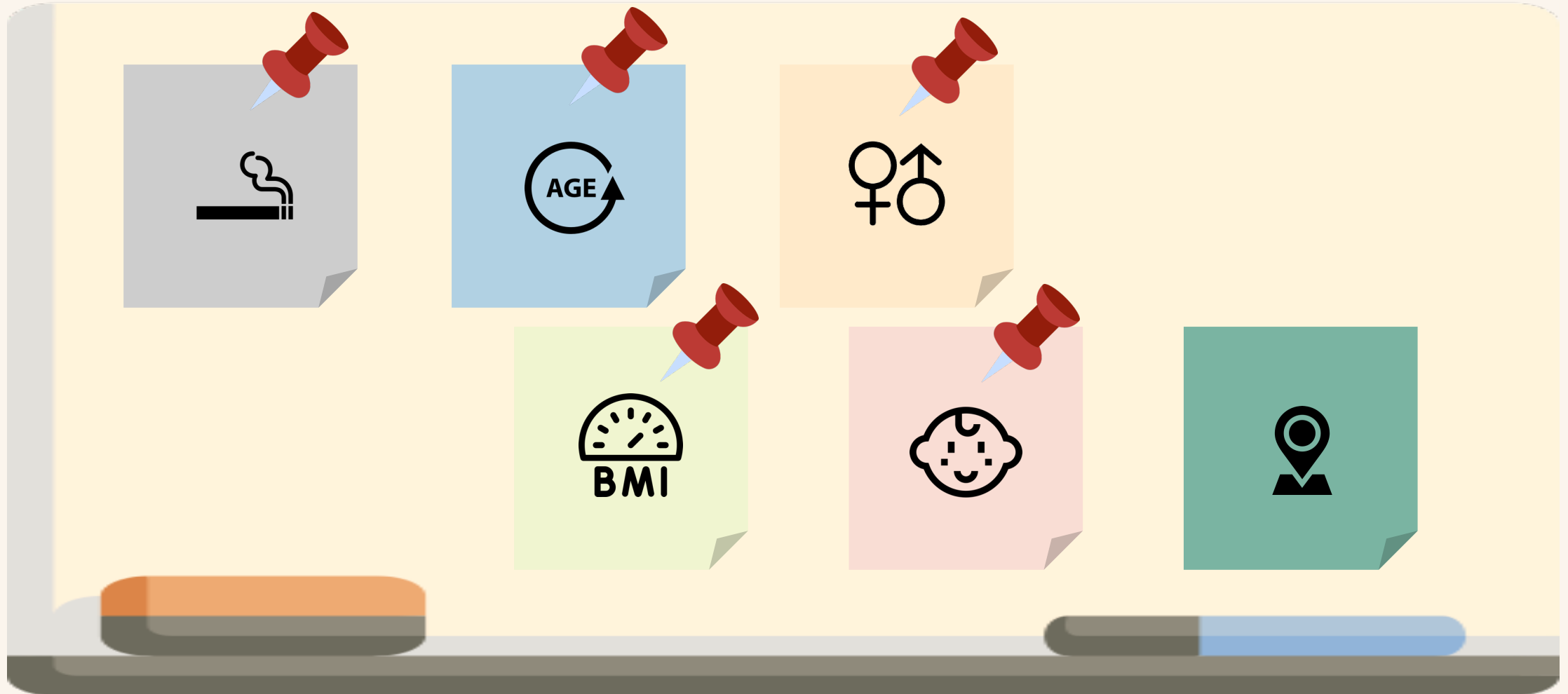
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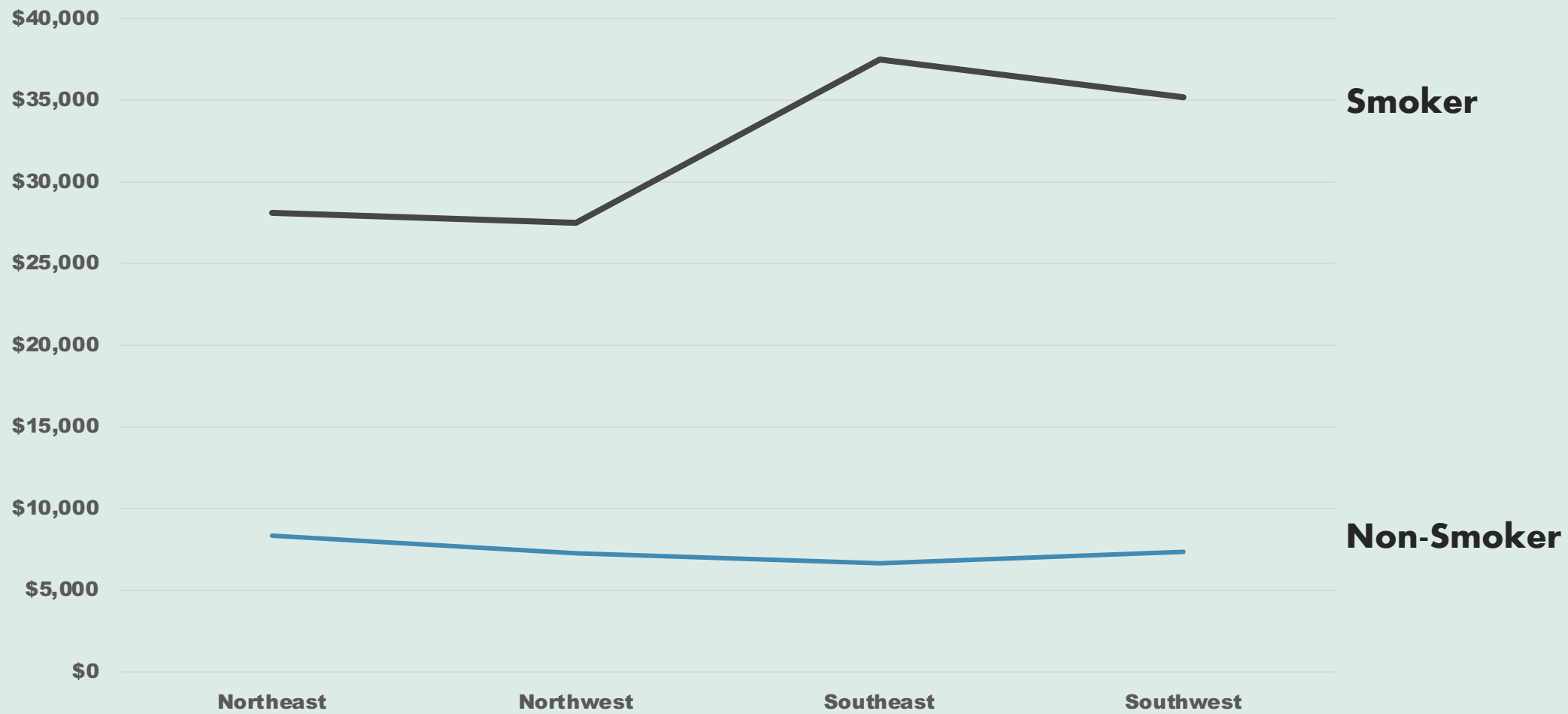






## What could influence health care cost







## 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 slash 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



## Cost Borne by Health Co

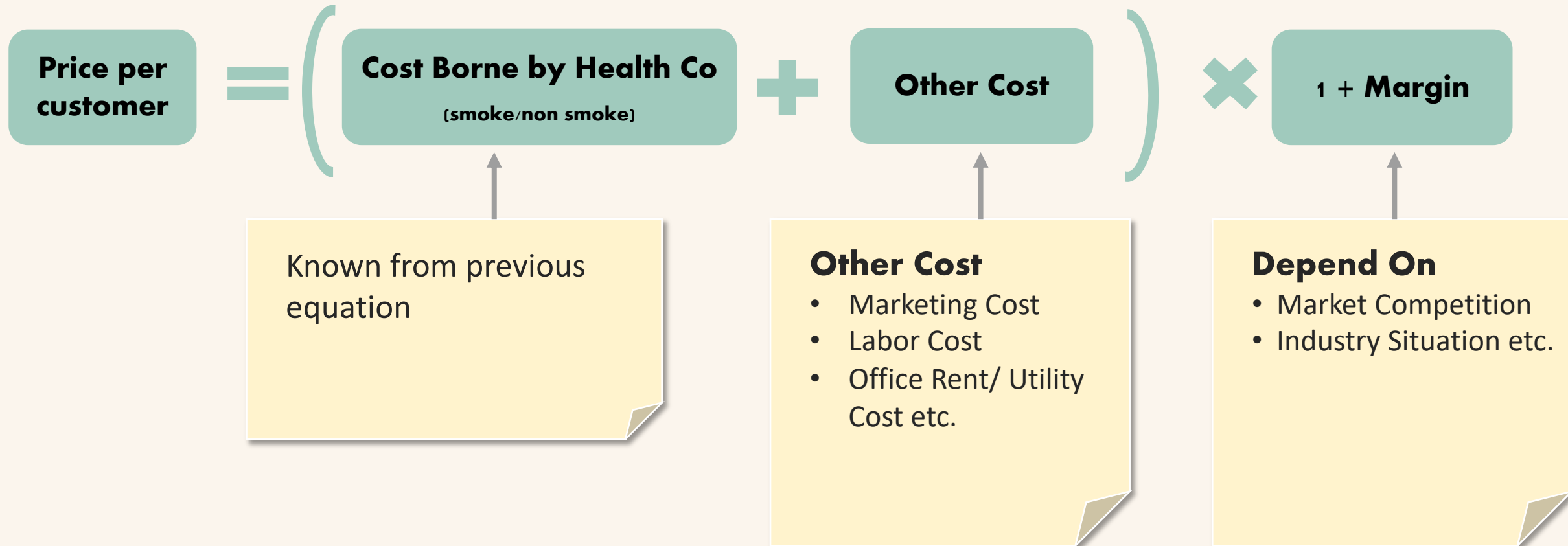
$$\begin{aligned} &= -22367.450 + 266.292 \times 21 \\ &\quad + 1438.091 \times 28 \\ &= 23491 \end{aligned}$$



## 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



