

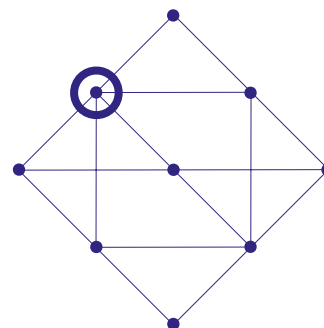
# Electronic Health Records: Adapting to a Different Underwriting Experience

In the last few weeks, we've seen a massive shift in our industry as clients and partners have worked tirelessly to support life insurance applicants and distributors, since traditional fluid-based underwriting protocols have been severely disrupted. As an organization, SCOR has been committed to reinventing the underwriting process through our Underwriting Reimagined strategy.

While our various partners explore alternative data sources to provide them with the same protective value as fluid-based underwriting, Electronic Health Records (EHR) have seen a surge in demand. At SCOR, we have been working on EHR evaluation and strategy for well over 18 months. We have worked with two major carriers to analyze and compare EHR information to Attending Physician Statements (APS) from a variety of sources.

Some of SCOR's early findings are:

- The same underwriting-relevant components can exist in any EHR as those found in an APS, but the overall level and depth of detail of the information varies.
- The available EHR file formats (FHIR, HL7, XML, CSV, RTF, and PDF) allow for easier data manipulation than an APS, since the APS typically exists in a photocopied, non-searchable image format. As a result, the EHR may be better suited for an automated process.
- Depending on the EHR service provider, the EHR may appear very similar in contents as to what is traditionally found in an APS today. The arrangement of the information is not in the exact same format within the document, though, since it's grouped and organized in categories such as procedures, lab results, social history, etc.
- EHRs may include some level of physician progress/narrative notes.
- Tobacco use history can be indicated in the EHR but not always.
- The timeframe covered in an EHR is not consistently the same lookback period as the corresponding APS, despite being from the same medical source.
- There are definite variances in the EHR output in both format and content of relevant information depending on the source of the EHR.



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One component to consider when exploring EHR use cases is the prevalence of key data. Human API, in which SCOR financially invested, provided the following data showing the prevalence of key categories of evidence across a sample of 1,832 cases:

	Within 12 months	Within 24 months
Encounters	79%	86%
Lab Results	74%	83%
Vitals	74%	83%
- Blood Pressure	72%	81%
- Height	71%	80%
- Weight	67%	77%
- Heart Rate	68%	77%
Tobacco Use	92%	
Alcohol Use	62%	

For insurance companies, access to medical records continues to be a vital component in the risk selection process. Hospitals, healthcare providers, and other medical facilities have redirected their operations to focus and respond to COVID-19. This pivot has put at risk the traditional method of medical records acquisition and has made EHRs a more attractive solution. Some are expressing concerns about whether the face-to-face sales channel and paramedical-based underwriting will ever rebound. This pandemic has taught us that a comprehensive digital operating model is critical.

An electronic re-engineering of underwriting and claims, as well as other company operations, has become mandatory for business survival. Digitization of customers' risk management, experience needs, and organizational optimization will position insurers to be resilient and thrive in this uncertain world ahead.

For those carriers who have concerns regarding the use of EHRs, consider the following benefits:

1. Improves the customer experience
  - a. Less intrusive than a paramedical exam and fluid collection
  - b. Removes delays related to availability, completion and processing of requirements
  - c. Allows for the closing of business online and meeting the 'instant buying' expectations of consumers
  - d. More transparency – applicants can see the medical records used in underwriting
2. Creates a longitudinal record of an applicant's health history
3. Reduces underwriting costs since EHR is less than the combined cost of exam, labs and APS.
4. Enables automation and straight-through processing
5. Increases placement rates due to quicker application and underwriting processes
6. Improves return on investment (ROI) due to higher conversion rates and reduced costs
7. Provides a health data vault for customers, as an additional product feature

Adaptation of EHRs in life insurance underwriting has been slow, primarily because EHRs were not created for this "use-case" but rather for healthcare and patients. EHRs will use the United States Core Data for Interoperability (USCDI) as the new standardized format for medical records rather than the Continuity of Care Document (CCD) specifications. The USCDI will include clinical notes and documents, not always found in the CCD today.



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The Office of the National Coordinator (ONC), the principal federal entity charged with health information coordination, has enacted new rules which will improve the quantity and quality of data included in EHRs. More required structured data elements, increased accessibility, and reduced blocking of information by developers should improve health data. These rules will become effective in 2021; however, some sections will not require full implementation until 2023.

The improvement in health data itself, along with the EHR aggregators' continued efforts to increase their geographical coverage and to reduce requirements for additional authorizations, will certainly make EHRs a more viable option. Innovative carriers will move forward with an EHR strategy and will not wait for EHRs to reach the status of "most viable option."

The last few weeks have accelerated market dynamics, including carrier/consumer adoption of EHRs. The expectation in the industry is that EHR hit rates are in the 10-20% range, but Human API has seen that more than half of applicants that engage with their platform are able to locate, connect and share their data with carriers using their consumer-centric approach. This is across the U.S. and not limited to specific geographies. That material penetration plus the potential depth of data provides for real opportunities for carriers to create digital products and improve consumer experiences.

Finally, interpretation of the data is critical. Although underwriters will receive data much more quickly, they will be required to review the information, which could be a significant effort of manual intervention. SCOR and Verisk have announced a recent initiative where Verisk is developing a data analytics platform to support the intake of structured and unstructured data and to provide a risk score associated with impairments. The platform is being built by Verisk's strong life analytics team with SCOR supporting the underwriting rules validation and predictive modeling process. Verisk's tool will help life insurers ingest and interpret EHRs in an automated fashion for real-time underwriting decisions, thus improving the customer journey. Verisk has a rich history of analyzing data, presenting information in formats customers can use, and developing practical tools that integrate into customer workflows.

By working with our various specialized partners, SCOR is in a solid position to support the industry as it transforms into a consumer-centric, digitally enabled life insurance journey.