

How Doctors Health Fund unlocked member-level profitability to drive smarter pricing and retention decisions



Executive Summary

Doctors Health Fund had no way to measure the profitability of individual members. With management expenses, ambulance levies and health insurance rebates allocated at a state or company level, there was no member-level view of insurance margin — making it impossible to understand which products, demographics and member segments were driving or eroding fund profitability. Peraison built a cost allocation model and interactive Qlik Sense dashboard that changed this completely.

The Challenge

Doctors Health Fund, part of the Avant group, serves a membership base across multiple products, lifestages and locations. While fund-level financial performance was visible, the costs that determine true profitability — management expenses, ambulance levies and health insurance rebates — were only available at state or company level. This meant there was no way to calculate an insurance margin figure for individual members or to understand how profitability varied by product, demographic or geography.

Author

Alex Graydon
Technical Director



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Key issues included:

- No member-level insurance margin figure available, as key cost components were only allocated at state or company level rather than to individual members.
- No ability to compare profitability across products, lifestages, locations or age groups — limiting the insight available to support pricing, retention and acquisition decisions.
- Retention and acquisition activities were directed without reliable data on which member segments were most valuable to the fund.
- Product pricing decisions lacked a clear data-driven foundation for understanding how margin varied across different cover products and the members on them.

Without member-level profitability data, leadership was making important strategic decisions — on pricing, retention and acquisition — without a reliable picture of where the fund was making or losing money at a granular level.

The Solution

Doctors Health Fund partnered with Peraison to build a cost allocation model and Qlik Sense dashboard, working directly with the executive team to deliver a member-level profitability capability that had not previously existed.

The solution was built around three core elements:

Member-level cost allocation model

Peraison designed a cost allocation model that attributed management expenses, ambulance levies and health insurance rebates to individual members using distribution methodologies based on revenue and SEU (Standard Equivalent Unit) counts. This produced, for the first time, a true insurance margin figure at member level — consistent with fund-level financials and validated against existing actuarial data.

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Multi-dimensional profitability analysis

The allocated member-level data was structured to support analysis across multiple dimensions simultaneously. Insurance margin could be compared by product, lifestage, location and age — and broken down into its individual components, from contributions and earned premium through to claims, ambulance, OSC, risk margin, RESA payments and receipts, MER and investment income.

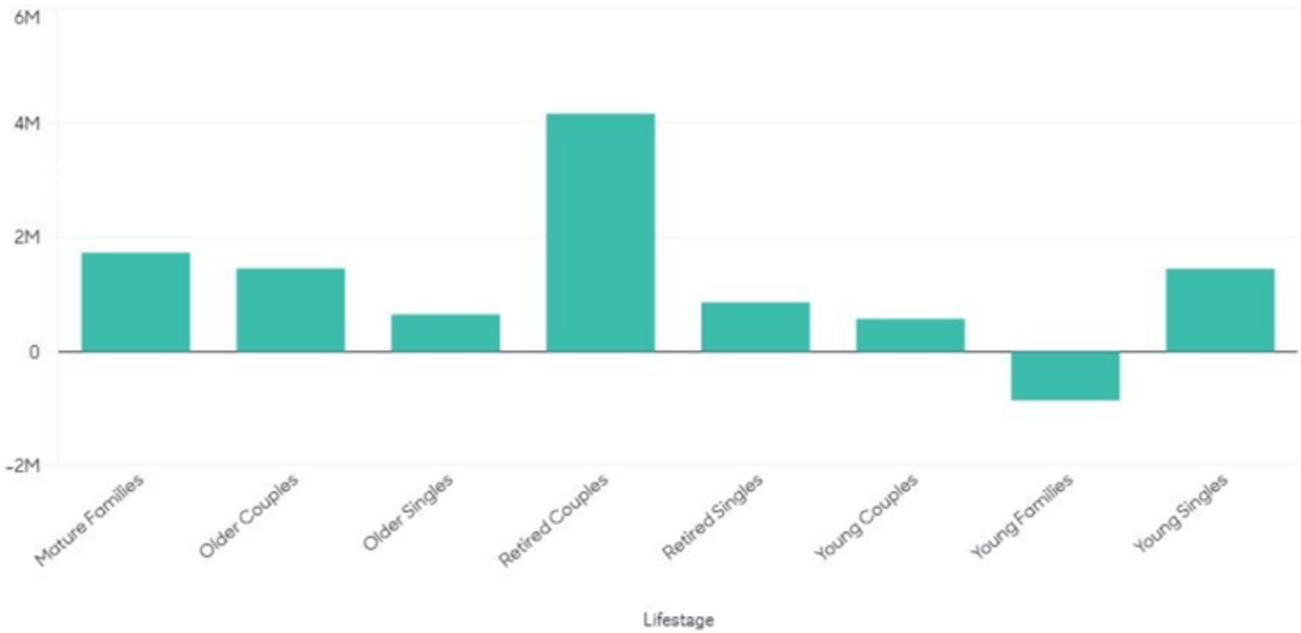
Interactive executive dashboard

Peraison delivered an interactive Qlik Sense dashboard giving the executive team:

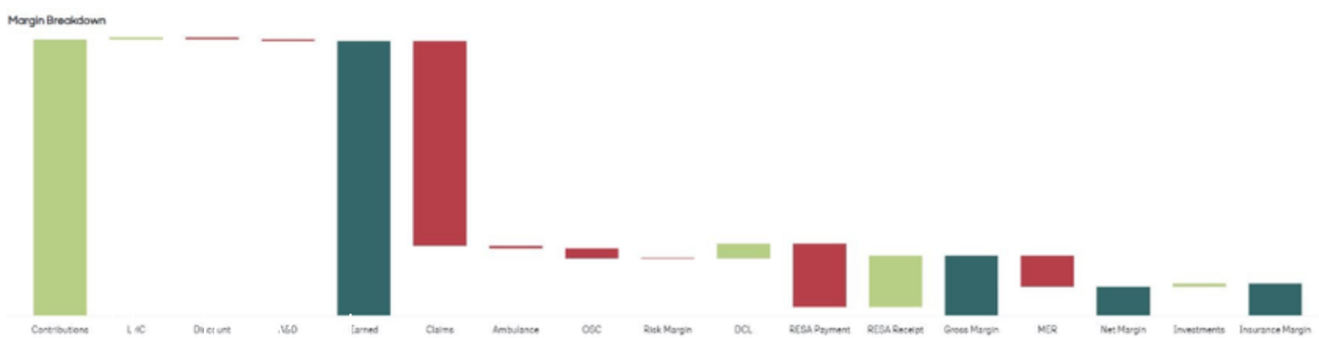
- A member profitability view showing insurance margin by lifestage, location, age and product — with flexible filtering to interrogate any combination of dimensions.
- A margin breakdown waterfall that surfaces the contribution of every component — contributions, LHC, discounts, ABD, earned premium, claims, ambulance, OSC, risk margin, DCL, RESA, gross margin, MER, net margin, investments and insurance margin — making it clear exactly what is driving profitability at any level.
- Comparison views across products and member demographics, enabling leadership to identify the most and least profitable segments and direct retention and acquisition activity accordingly.

The dashboard was delivered within Doctors Health Fund's existing Qlik Sense environment, making it immediately accessible to the executive team without additional technology investment.

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Profitability by member lifestage — identifying the segments delivering the greatest insurance margin



Margin breakdown waterfall showing the contribution of every cost and revenue component to insurance margin

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The Impact

The solution delivered immediate strategic value for Doctors Health Fund, giving leadership a data-driven foundation for decisions that had previously relied on incomplete information.

Member profitability visible for the first time

By allocating management expenses, ambulance levies and health insurance rebates to individual members, Doctors Health Fund gained a true insurance margin figure at member level — enabling profitability analysis that was simply not possible before.

Smarter retention and acquisition focus

With clear data on which member demographics and lifestyles were most profitable, the fund was able to focus retention and acquisition activities on the segments that delivered the most value — improving the overall profitability of the member portfolio.

Data-driven pricing strategy

Understanding how insurance margin varied across different cover products and the members on them gave the executive team a clear, evidence-based foundation for product pricing decisions — replacing intuition with data.

Granular margin transparency

The margin breakdown dashboard gave leadership unprecedented transparency into what was driving profitability at every level — from fund-wide insurance margin down to the contribution of individual cost and revenue components for any product, lifestyle or demographic segment. By building a cost allocation model that disaggregated fund-level costs to individual members and surfacing the results in an intuitive Qlik Sense dashboard, Peraison gave Doctors Health Fund the member-level profitability insight needed to make smarter decisions about pricing, retention and acquisition — with direct impact on the overall profitability of the fund.