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Exposure Draft

IFRS[®] Sustainability Disclosure Standard

[Draft] IFRS S2 Climate-related Disclosures Appendix B Industry-based disclosure requirements

Volume B30—Managed Care

Comments to be received by 29 July 2022



This industry from Appendix B Industry-based disclosure requirements accompanies the Exposure Draft ED/2022/S2 *Climate-related Disclosures* (published March 2022; see separate booklet). It is published by the International Sustainability Standards Board (ISSB) for comment only. Comments need to be received by 29 July 2022 and should be submitted by email to commentletters@ifrs.org or online at <https://www.ifrs.org/projects/open-for-comment/>.

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Introduction

This volume is part of Appendix B of [draft] IFRS S2 Climate-related Disclosures and is an integral part of that [draft] Standard. It has the same authority as the other parts of that [draft] Standard.

This volume sets out the requirements for identifying, measuring and disclosing information related to an entity's significant climate-related risks and opportunities that are associated with specific business models, economic activities and other common features that characterise participation in this industry.

The industry-based disclosure requirements are derived from SASB Standards (see paragraphs B10–B12 of [Draft] IFRS S2 *Climate-related Disclosures*). Amendments to the SASB Standards, described in paragraph B11, are marked up for ease of reference. New text is underlined and deleted text is struck through. The metric codes used in SASB Standards have also been included, where applicable, for ease of reference. For additional context regarding the industry-based disclosure requirements contained in this volume, including structure and terminology, application and illustrative examples, refer to Appendix B paragraphs B3–B17.

Managed Care

Industry Description

The Managed Care industry offers health insurance products for individual, commercial, Medicare, and Medicaid members. Companies also provide administrative services and network access for self-funded insurance plans and manage pharmacy benefits. Enrollment in managed care has traditionally been correlated with employment rates, while revenues are driven by the inflation of medical costs. ~~The Patient Protection and Affordable Care Act reduced the percentage of uninsured adults, and created additional demand for the industry's plans. However, legislative~~ Legislative uncertainty and a focus on reducing health care costs may create downward pricing pressure and continue to drive consolidation within the industry. In addition, a focus on patient outcomes and plan performance continue to shape the industry's sustainability risks and opportunities.

Sustainability Disclosure Topics & Metrics

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Climate Change Impacts on Human Health	Discussion of the strategy to address the effects of climate change on business operations and how specific risks presented by changes in the geographic incidence, morbidity, and mortality of illnesses and diseases are incorporated into risk models	Discussion and Analysis	n/a	HC-MC-450a.1

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Number of enrollees by plan type	Quantitative	Number	HC-MC-000.A

Climate Change Impacts on Human Health

Topic Summary

An increase in extreme weather events associated with climate change could have significant health impacts. These events, coupled with the potential spread of infectious diseases and food and water scarcity, are likely to present material implications for the Managed Care industry through an increase in encounters with the health care system. Companies that are able to address the risks posed by extreme weather events and potential changes in the incidence, morbidity, and mortality of illnesses and diseases may be better positioned to protect shareholder value.

Metrics

HC-MC-450a.1. Discussion of the strategy to address the effects of climate change on business operations and how specific risks presented by changes in the geographic incidence, morbidity, and mortality of illnesses and diseases are incorporated into risk models

- 1 The entity shall discuss its strategic business approach to addressing significant risks related to the effects of climate change, including, but not limited to, changes in the following aspects of illnesses and diseases:
 - 1.1 Geographic incidence
 - 1.2 Morbidity
 - 1.3 Mortality
- 2 Relevant disclosure may include, but is not limited to, discussion of the following:
 - 2.1 Increases in allergic responses, asthma rates, and heat-induced illness
 - 2.2 Migration of tropical diseases such as malaria, dengue fever, and other vector-borne tropical diseases to non-tropical regions
 - 2.3 Increases in waterborne diseases, such as cholera, due to increased natural disaster incidence
 - 2.4 Increased rates of human developmental diseases such as malnutrition due to decreased food availability
- 3 The entity shall discuss any projected impacts on revenue, costs, or plan affordability.
- 4 The entity may discuss it how it incorporates the effects of climate change into its risk assessment and risk adjustment activities.