

Healthcare transformation: Pressure to pick up pace



Aside from motor, the healthcare and health insurance industry is the other frontrunner on the list of industries most likely to be disrupted. This reality of the new healthcare era was vividly outlined at the 11th Asia Conference on Healthcare and Health Insurance where experts urged healthcare providers and insurers alike to embrace the revolutionary changes led by technology or potentially fall behind.

By Dawn Sit



Health 2.0 is a reality now, more than ever as the industry faces change agents that are more likely to come from outside the industry rather than from traditional healthcare sources.

Change agents

“Disruption is not going to come from traditional healthcare sources and will instead come from new entrants willing to play around conventional modalities,” said Mr David McKeering, Asia Pacific Healthcare Leader at PwC who elaborated that telcos and technology firms have significantly stepped up investments to explore ways to incorporate health IT features into wearable and mobile devices.

Technological advancements are the main driver for revolution in the healthcare sector; along with demographic shifts, consumer empowerment and globalisation, these have resulted in the

emergence of new business models, a shift from inpatient care to outpatient services and new entrants keen to reshape the health system, among others.

IT health check

Dr Milind Sabnis, Director of Healthcare Practice at Frost & Sullivan gave an overview of Asia’s healthcare IT landscape. Whilst enabling reliable access and exchange of health information remain key priorities among countries in the region, the healthcare IT adoption rate in Asia Pacific is still relatively diverse. However, he expects telehealth technologies, such as remote monitoring devices and robotics to be increasingly adopted in elderly care as the region tackles a rapidly ageing population.

Meanwhile, Mr Derek Goldberg, Managing Director, Southeast Asia, Aetna International said stakeholders in the industry have to work together to fix the flaws in the current system moving forward.

Elaborating on a blueprint for the fu-



Mr David McKeering



(L-R): Mr Damian Delaney, Mr Derek Goldberg and Dr Milind Sabnis.

ture healthcare system, he highlighted better alignment between insurers, providers and consumers through value-based financing systems, and on-going customer engagement and primary care through mobile technology, among other features.

Digitisation to cut inefficiencies and to grow

Health IT enablement is another area that is to feature prominently

in future healthcare, and to this point, Mr Gerald Sun, Vice President & Head of Sales, Commercial Payments – Asia Pacific, Middle East & Africa at MasterCard Worldwide, touched on how the payments provider has been innovating simpler and efficient ways to move payments and informa-



Mr Gerald Sun

tion seamlessly between industry stakeholders.

A heavy reliance on paper-based processes remains a business challenge in today's healthcare industry, which hinders business progression with process inefficiencies, poor cash flow forecasting and a long invoicing cycle. Hence, in order to build business, stakeholders inevitably need to look at digitising payments which will help automate, accelerate and reduce the

A fresh perspective on insurers in health

As part of our attempt to give the industry a perspective from how consumers see the insurance world, we sent a mystery shopper to the 11th Asia Conference on Healthcare and Health Insurance to see insurance professionals in the quest to better serve society. And the verdict: Kudos to all!

I must confess that this is my first exposure to the inner workings of the insurance industry, having only previously known of insurance as the “business where agents annoy you with unsolicited phone calls”.

The conference however, was an eye opener – not just on how this sector of the insurance industry operated, but also on the issues that the modern healthcare industry is facing. I vaguely knew of some of the contributing factors to rising costs of healthcare, as well as the leaps and bounds that wearable technology is making from skimming headlines on the internet. Seeing how the health insurance industry is attempting to tie it all together, to provide a better service for the customer, and to repair long-standing issues with the existing healthcare model showed me a different side of the industry I had never expected to exist.

A caring industry

There was a strong sense of altruism and true caring evident in the way the experts spoke. In retrospect, it is unsurprising; after all, even members of the insurance industry (typically seen by the layman as an uncaring figure only concerned with taking their money to fulfil a bottom line) need healthcare. Even they will grow old, fall sick, or need a doctor. It is in their vested interest that the healthcare industry improves and trims away some of the inefficiencies that exist in its current form.

The tech drivers

A significant portion of the conference focused on technology and how several companies are working on integrating existing and upcoming technology and software to provide improved services to their customers.

It was exciting to see the industry being so willing and active in adopting innovations and even innovating new methods and technologies themselves. It was a pleasant surprise to realise that the industry was constantly working to utilise the conveniences that us users found commonplace (when was the last time you took the time to appreciate exactly how powerful

and useful your smartphone was?), to create a service that maintained the level of convenience we are used to.

These attempts to marry classic insurance models with constantly evolving digital technology – health monitoring, data collection and sharing, near-instantaneous remote communication – provided a very hopeful outlook to the health and well-being of the world as a whole.

Genuine care

I was also quite surprised to note that many existing insurers actually cared for their customers and went above and beyond to make their customers' lives easier. It is easy to assume that a large multi-national corporation that mainly deals with money to be uncaring, distant and possibly even cruel, but the many examples and case studies that were shared during the conference highlighted a very different – and generally unseen – part of the insurance industry.

Going for prevention

Several speakers also touched on the old adage of “prevention being better than cure”. By ensuring that their customers stay healthy and encouraging a healthier, more active lifestyle, these customers can avoid those costly hospital visits and medical bills. While a more cynical mind could excuse this as the tight-fisted insurers not wanting to fork out expensive pay-outs, there is no denying that this approach is beneficial for customers, even more so than the classic approach of subsidising hospital bills. While one helps you save money, the other helps you live a longer, better life.

A Brave New World of insurance

All in all, the conference showed me a new side to the insurance industry that I was not aware even existed, and provided many insights to the healthcare industry that most people never get to see.



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costs of healthcare; reduce working capital needs; and enhance consumer experiences, he said.

Big Data to enhance inclusion

Mr Tony Estrella, Managing Partner of MetLife's innovation incubator LumenLab, shared about the paradigm of digital health, defined as the result of how the new leaps forward in consumer design, data and mobile technologies are creating innovative ways to empower people to live healthier and have access to better medical care.



Mr Tony Estrella

Today, smartphones and tablets, wearables and sensors, as well as cloud computing and health applications are the three core platforms driving new digital health offerings, though Dr Ogan Gurel, who is Chief Innovation Officer of Seoul-based FabLab CampusD, and a Visiting Professor at the Samsung Advanced Institute of Health Sciences, noted on the contrary, that wearables are "overrated" due to limitations of battery life and consumers' choices to wear them. While he noted that wearables have a significant impact on data gathering, he said ambient sensors which are able to constantly monitor behaviour and surroundings, will be able to collect "much more distributed" data.

Nonetheless, with all the data captured by these platforms, Mr Estrella noted that Big Data could enhance the pricing of health insurance products. While actuarial tables align pricing with historical risks for pools of people, Big Data can create new ways to price products for people suffering from chronic medical conditions and who may have been excluded based on traditional models.

Big Data, he added, has brought a world of personalised and customised products which can be equally appli-



cable to health insurance, though at the same time, regulation also needs to catch up to ensure a level playing field for all stakeholders, particularly when new emerging technology platforms – such as genomics; 3D bio-printing; artificial intelligence (AI) and machine learning; robotics; block chain; and virtual reality – are beginning to make an impact in driving the next stage of change in health.

Wellness proposition needs to be "more compelling"

Turning to user engagement and steering the industry's traditional focus from medical costs and claims (reactive) to wellness (proactive), Dr Gurel noted that while there is acknowledgement that wellness is important, this aspect needs to be made "much more compelling".

Mr Thomas Dijohn, Vice President – Asia Pacific, of health scoring startup dacadoo, emphasised that while today's consumers are ready to embrace digital healthcare, the industry is not up to par in catering to their expectations.

Although healthcare stakeholders have spent a lot of time on trying to educate consumers on the right behaviour, he noted that it is not the

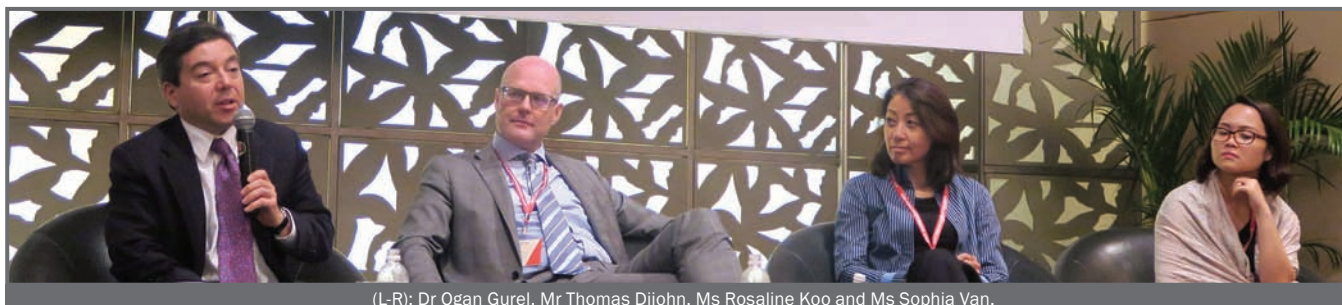
information provided that changes behaviours; industry players need to work on engaging consumers.

Bespoke engagement

As such, he mooted the idea of providing bespoke health and wellness insights based on consumers' data as a way to prod and engage them to start making decisions for their respective health and well-being. And to do this, he shared a simple formula that dacadoo terms as "REF-factor": Relevance – making it all about the consumer; easy to understand insight; and fun – making use of gamification and social media.

Similarly, Ms Rosaline Koo, Founder & CEO of employee benefits exchange platform CXA, shared the merits of its solution in engaging corporate staff to take more ownership of their health, allowing them to personalise and manage their respective benefits spend, which would at the same time relieve companies' HR of the administrative burden and help corporates in curbing rising premiums.

The conference, themed "*Being a smart health insurer – Innovation, Profitability & Sustainability*" was held in Singapore and attracted close to 100 participants. ■



(L-R): Dr Ogan Gurel, Mr Thomas Dijohn, Ms Rosaline Koo and Ms Sophia Van.