Interconnected health

L–R: Messrs Scott Montgomery, Peter Ohnemus, Dr Alex Gleason and Mr Ng Teck Siong.

Plugging into ecosystems and helping policyholders navigate the complex healthcare system were some of the issues discussed at a recent healthcare and health insurance event in Singapore.

By Ridwan Abbas

The health insurance industry is seeing a shift from homogenous policies sold through personalised distribution channels to personalised policies sold through homogenous channels, said DocDoc co-founder and president Grace Park who was one of the speakers at a recent healthcare and health insurance conference organised by *Asia Insurance Review*.

Ms Grace Park

Ms Park said that the main drivers behind this shift were disruption and a lack of trust among policyholders.

She attributed the industry's vulnerability to disruption to three factors: (1) APAC is a fast-growing market that is highly profitable for insurers, (2) new entrants will lower cost barriers and bring a culture of customer service and (3) the need to build strong policyholder relationships to stay ahead of the competition.

She believes that insurers will need to tailor their policies to their customers' needs and start adopting more cost-effective channels of distribution. In order for insurers to achieve this goal, they will need to invest in their data models and digital assets as soon as possible.

Building a data architecture

Ms Park said that failure to invest in the necessary data models would result in a company accumulating 'data debt' – the extra cost a company will face in the future due to its current data strategy.

"The lack of a data model today leads to the 'data debt'," said Ms Park. "So what you want to do is save all your data in a machine-readable manner and have exceptional focus on ensuring that the data is modelled and ingested as clearly as possible."

"The time to invest in the organisation's data model is always going to be right now."

"It's important to build up the data architecture, recognising that 'data debt' is not the way of the future. Once you recognise that and build up the architecture for structured data for your company, one of the things to keep note is to personalise the policies. To deliver value to a customer instead of segmenting the risk," said Ms Park.

Managing healthcare pricing

In his keynote address on digital insurance and outcome-based risk modelling for chronic diseases, Dacadoo CEO Peter Ohnemus pointed out that he sees cancer potentially being solved within the next 20 to 30 years via quantum computing and biology merging together. However, there is a question of who is

Mr Peter Ohnemus

going to pay for the development as no one would want to shoulder the financial costs of healthcare.

He added that insulin can cost around $8,000 per year and China has a 10% diabetes rate now compared to 1% 10 years ago, highlighting the magnitude of rising healthcare costs.

Mr Ohnemus' views were echoed by panellists voicing their perspectives on healthcare financing, cost issues and quality of care. During the panel, Liberty Insurance senior vice president (A&H management) and panellist Colin Chu raised the issue of the insurance sector tackling issues related to healthcare inflation. Fellow panellist and AIA Singapore medical director Dr Alan Ong noted that healthcare expenditure is growing year on year with society prioritising healthcare. In Singapore, he sees this translating into higher premium costs with 65% of healthcare costs flowing through insurers.

Mr Colin Chu

Matching patients to the right care

One value add that insurers can provide policyholders is to help them navigate the complex healthcare system and matching them with the appropriate care, especially given the fragmented nature of healthcare systems and escalating costs.

Aside from being a health partner to consumers, health insurers play a unique role as a middle man which is aware of everything from the demands of the hospital to those of the patient. Hence they are well placed to help match patients with the right healthcare provider that suit their needs, added Dr Ong.

Interestingly, a recent study by Johns Hopkins, more than 250,000 people in the US die every year due to medical error – making it the third leading cause of death after heart disease and cancer. Further, a 2017 study in the US showed an issue with misdiagnosis, with 20.6% of overall medical care proving unnecessary, including 22% of prescription medications, 24.9% of tests and 11.1% of procedures.

Liberty Insurance head of product development Dr Alex Gleason added that insurers can contribute

Dr Alan Ong

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to the well-being of consumers by providing access to quality medical networks and helping stop medically unnecessary treatments.

Potential of wearables

Meanwhile, Partner Re head of business development for life & health in Southeast Asia Mohamed Faye spoke on the benefits of integrating wearables into insurance products. Benefits include the ability to perform dynamic underwriting through ongoing risk assessment of policyholders, rather than only at the point of sale. Data from wearables could also be used to better forecast and monitor claims.

Mr Mohamed Faye

In fact, the last few years has seen increasing numbers of insurers integrating wearable technology into their product offerings, although evidence demonstrating the effectiveness of wearables in providing sustained improvement in health outcomes remains limited, he said.

However, there are new wearables in the pipeline that could help insureds better manage their health conditions such as diabetes, which could also provide insurers with an increasingly rich source of health and lifestyle data on their policyholders.

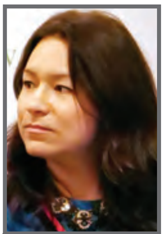
Interoperability of healthcare

Given the highly fragmented nature of healthcare systems around the world, having a platform for the various administrative systems and the many disparate clinical systems to interact can only be a good thing.

To that effect, the Fast Healthcare Interoperability Resources (FHIR) was created as a 'common language' in which all health IT systems could use to interpret and process medical records and data.

Recently, tech giants Apple, Amazon, Google, IBM, Oracle, and Salesforce signed a pledge to make FHIR the industry standard. They're also part of the Argonaut Project alongside other healthcare institutions to promote the adoption of FHIR.

Tech giants have the incentive to allow for interoperability to build platforms, Apple being one of the strong beneficiaries with an existing app marketplace, explained PAI Health VP of InsurTech partnerships Sally Powell.



Ms Sally Powell.

In fact, Apple's ecosystem allows data to travel through multiple devices seamlessly and as a result, customers invest more time and data into them. In that regard, buying an Apple product that integrates seamlessly into the health system and uses contextual data from your Apple account makes the Apple ecosystem even more attractive, said Ms Powell.

She believes that health insurers need to plug into such an ecosystem that will support a suite of apps and services across different partners, platforms and devices.

The two-day conference was supported by Life Insurance Association Singapore, International Insurance Society, EuroCham and IT Service Management Forum. Around 150 delegates from 20 countries attended the conference.