

Harnessing technology for new healthcare propositions in emerging markets



Technology can address some of the biggest healthcare challenges in emerging markets such as prohibitive cost, poor quality of data and services, insufficient access and low awareness, says **Dr Kai-Uwe Schanz** of **Dr. Schanz, Alms & Company**.



Based on a consumer survey, Swiss Re has recently estimated the combined size of emerging Asia's health protection gap at \$1.4tn. This figure describes the maximum possible funding shortfall, ie, how much would be needed to eliminate the financial stress experienced by households due to spending on healthcare. It also includes the cost of providing treatment to those who cannot afford it. This massive health protection gap is equal to about 8% of these countries' GDP and reflects their large populations, low disposable incomes, high out-of-pocket medical expenses and low health insurance penetration levels. By extrapolation, Swiss Re puts the estimated health protection gap of all emerging markets worldwide at around \$2.9tn, or about 9% of these countries' combined GDP.

Technology set to improve access, quality and cost-efficiency

In light of these massive shortfalls, digital health initiatives in emerging markets should be designed to meet the three core objectives of expanding coverage and access, enhancing services quality and reducing and optimising cost.

In terms of access, digital health enables a wider reach of healthcare delivery as some services such as patient monitoring and diagnostics can be delivered and managed remotely. Digital health technologies also enable greater and faster patient access to health information via mobile.

As far as quality is concerned, digital health facilitates faster and more effective coordination of care and professionals as well as more effective data sharing, allowing for an earlier detection of risks and targeted provision of health information services.

Cost efficiency improves as the transition from paper to digital ensures that available health resources are used where and when needed. This includes the digitisation of drug inventory, supply chain and patient records.

Progress in the area of digital health in emerging markets does not require high-tech solutions at this stage. Most B2C digital health solutions – for example, health consultation – are accessible via 2G mobile networks and basic phones, resulting in greater population coverage and simplicity of use. B2B solutions for healthcare professionals and centres leverage 3G networks, smart applications and cloud computing to remotely connect professionals and make medical data available to them.

From digitising health information to leapfrogging mature markets

Having said this, the adoption of electronic health records (EHR) remains low in emerging markets as paper-based solutions and outdated IT equipment are still prevalent. So far, progress has been slowed by very high operating costs from major EHR vendors. Digitising health information is a prerequisite to establishing any digital health model. For best patient outcomes, other innovations such as telemedicine, mobile health applications and e-prescriptions can be built around the digitised health information. Digital healthcare models and EHR have mostly been implemented in developed economies – and it took decades, rather than months or years to do so. Lower-income emerging markets are still focused on addressing basic access and quality issues, as well as cost inefficiencies.

Encouragingly, obstacles to the digital health model in emerging markets are set to lose in relevance in the next few years. The growth in the internet and smartphone penetration and the rise of cloud-based technology services offer the opportunity to develop more innovative and cost-effective solutions to deliver healthcare services, possibly allowing these markets to leapfrog the developed markets and greatly improve healthcare access,

affordability, quality and safety.

Advanced analytics and digitalisation have led to a dramatic increase in the amount of data, information and insight available to private health insurers, enabling them to achieve quantum leaps in patient care, especially in emerging markets. The rise of electronic healthcare data, in combination with unprecedented computing power and inexpensive data storage, greatly enhances the measuring of treatment outcomes and costs in a timely, accurate and cost-efficient manner.

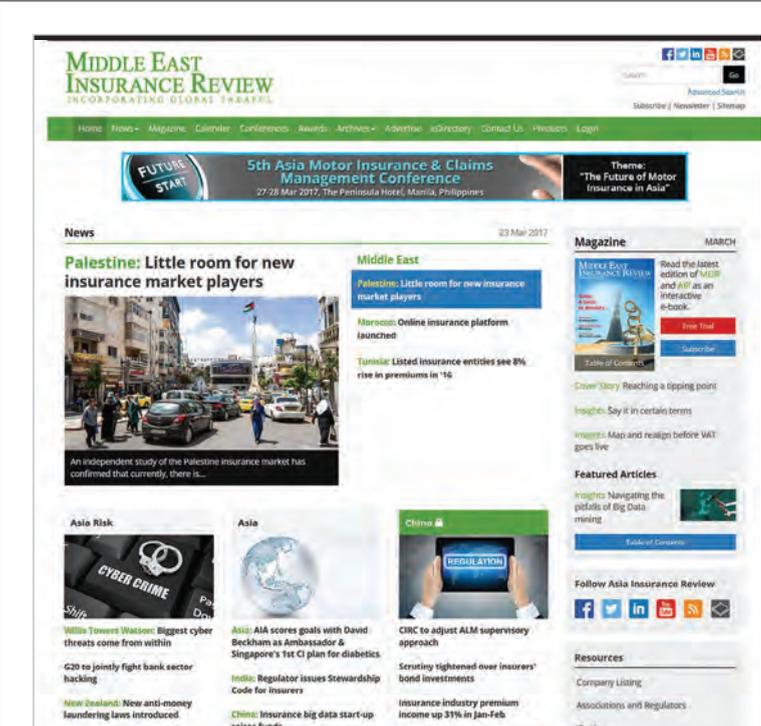
In addition, we are witnessing a surge in patient-generated clinical data, from IoT devices in particular. Digital connectivity is facilitating the sharing of this data by consumers with caregivers.

Towards a broader and more attractive health insurance proposition

As a fully tech-enabled patient journey emerges, insurers will have to step up their game and offer a level of customer experience that is commensurate with what policyholders find elsewhere. For health insurers, paying claims and benefits promptly will remain the necessary condition for staying relevant to customers. However, the equally important condition will be to move beyond being a funding channel towards becoming an attractive and flexible risk partner that can contribute to improved health outcomes.

If this vision of a greatly expanded value proposition comes true, the perception of private health insurers will fundamentally change for the better, putting them in a more promising position to make a meaningful contribution to narrowing today's and tomorrow's health protection gaps. 

Dr Kai-Uwe Schanz is a founding partner of Dr Schanz, Alms & Company.



The screenshot shows the MEIR website interface. At the top, there's a navigation bar with 'Home', 'News', 'Magazine', 'Calendar', 'Events', 'Awards', 'Archives', 'Advertise', 'adirectory', 'Contact Us', 'Products', and 'Login'. Below this is a banner for the '5th Asia Motor Insurance & Claims Management Conference'. The main content area is divided into 'News' and 'Magazine' sections. The 'News' section features a large article titled 'Palestine: Little room for new insurance market players' with a photo of a street scene. Other news items include 'Marocco: Online insurance platform launched', 'Tunisia: Listed insurance entities see 8% rise in premiums in '16', 'Asia Risk: Willis Towers Watson: Biggest cyber threats come from within', 'G20 to jointly fight bank sector hacking', 'New Zealand: Near anti-money laundering laws introduced', 'Asia: AIA scores goals with David Beckham as Ambassador & Singapore's 1st CI plan for diabetes', 'India: Regulator issues Stewardship Code for insurers', 'China: Insurance big data start-up raises funds', 'China: CIRC to adjust ALM supervisory approach', 'Scrutiny tightened over insurers' bond investments', and 'Insurance industry premium income up 31% in Jan-Feb'. The 'Magazine' section promotes the 'MARCH' issue of the 'Middle East Insurance Review' as an interactive e-book. There are also 'Featured Articles' and 'Resources' sections at the bottom.

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