SINGAPORE ACTUARIAL SOCIETY

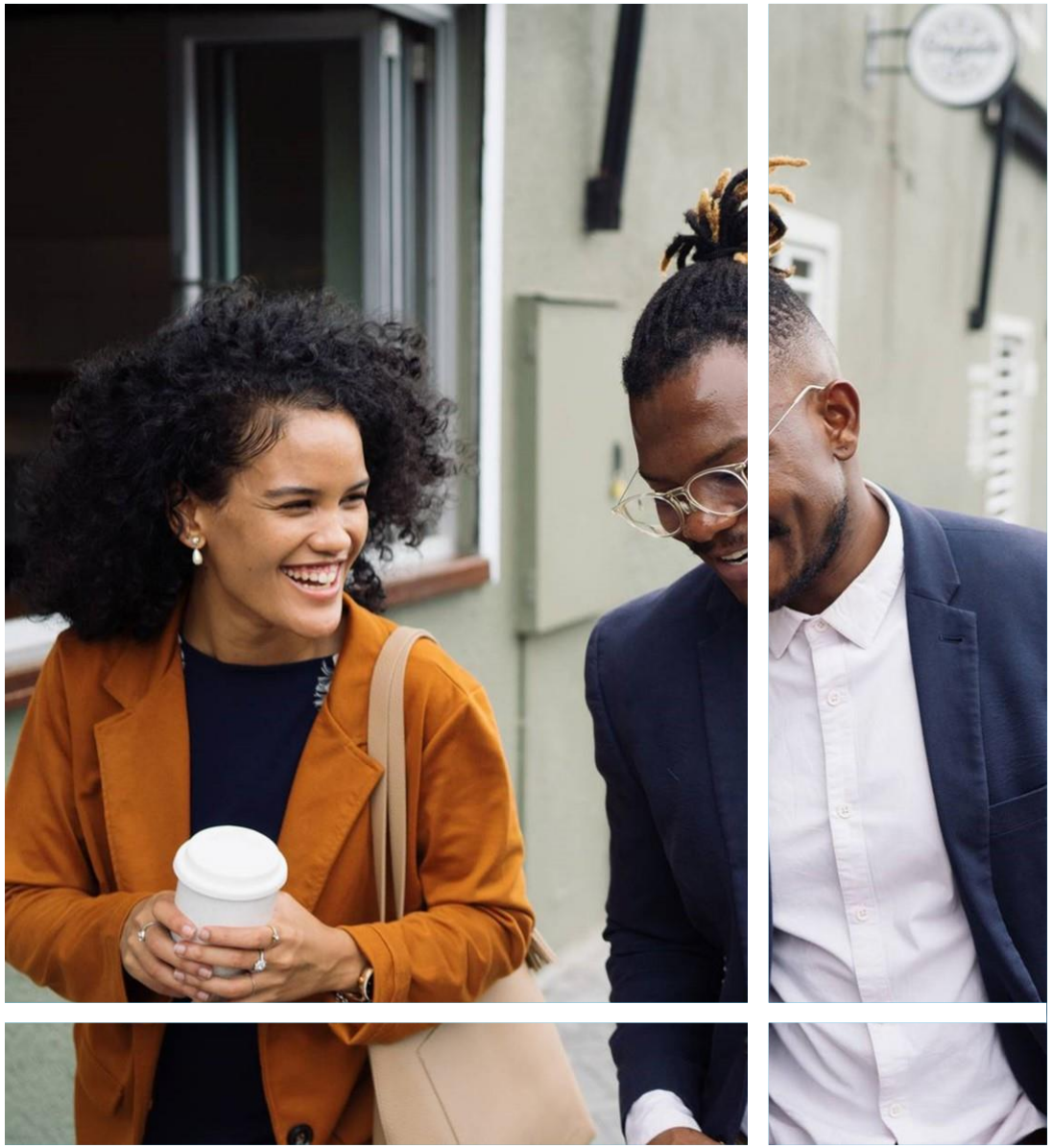
Faizan Shaikh

INTERNAL USE ONLY

AGENDA

1. Gulf Health Insurance Landscape
2. Innovative Products and Benefits
3. Optimized Utilization Strategies
4. Digital Transformation

INTERNAL USE ONLY



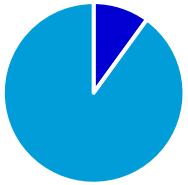
GULF HEALTH INSURANCE

- UAE
- KSA
- Oman
- Bahrain
- Qatar

INTERNAL USE ONLY

UAE

Mandatory



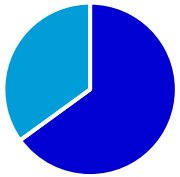
■ Nationals ■ Expats

~11.3M

Private sector → PMI
Public sector → Funded by Government

KSA

Mandatory



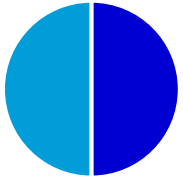
■ Nationals ■ Expats

~36.9M

Private sector → PMI
Public sector → Funded by Government

Bahrain

Optional



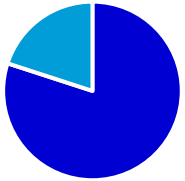
■ Nationals ■ Expats

~1.5M

PMI only
Public sector → Government working to develop mandatory system

Oman

Optional



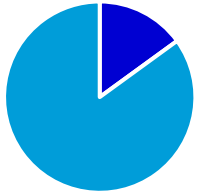
■ Nationals ■ Expats

~5.5M

PMI only
Public sector → Mandatory work in progress.
First phase for unified billing launched in 2025

Qatar

Optional

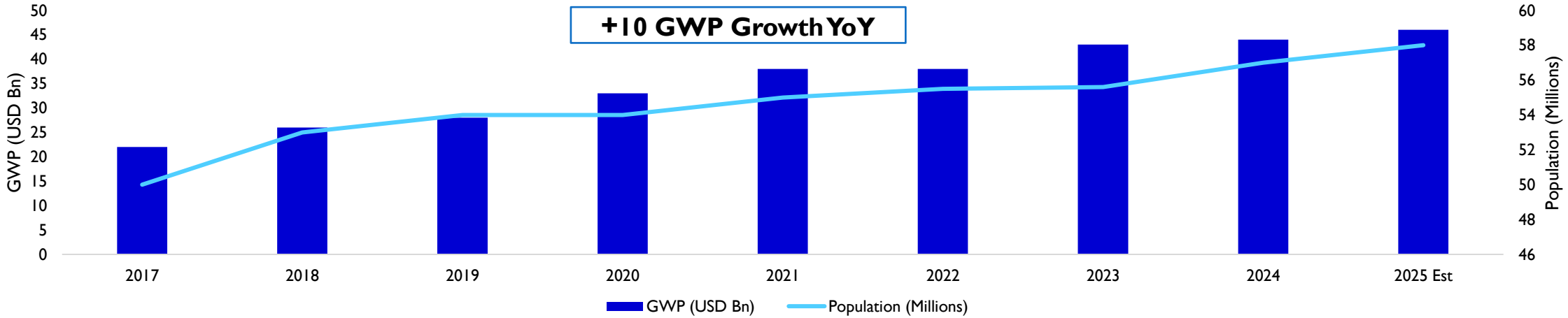


■ Nationals ■ Expats

~3.1M

PMI only
Nationals coverage stop in 2015

+10 GWP Growth YoY



	UAE	KSA	Bahrain	Oman	Qatar
Affluent	Bupa Global, Cigna, Allianz	Bupa Global, Cigna, Bupa بوبا	Bupa Global, Cigna, GIG	Bupa Global, Cigna, GIG, NGI	Bupa Global, Cigna, GIG, QIC
Mass Market	MetLife, GIG, Oman Insurance is now SUKOON INSURANCE, ADNIC, orient, ضمان Daman	SNIC INSURANCE, التعاونية Tawuniya	bni البحرين الوطنية للتأمين Bahrain National Insurance	liva	AlKoot INSURANCE & REINSURANCE الكوت للتأمين و إعادة التأمين
Discounted	DNI Dubai National Insurance, سلامة SALAMA, الاتحاد للتأمين UNIONINSURANCE, دبي للتأمين DUBAI INSURANCE	Arabia INSURANCE, GIG			

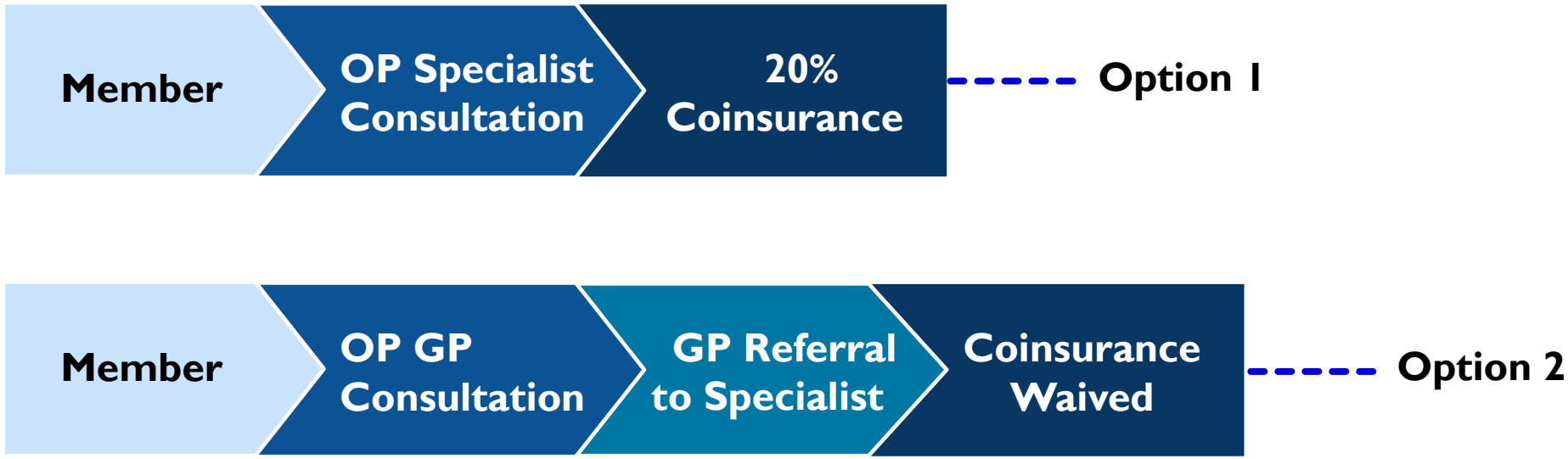
INTERNAL USE ONLY

INNOVATIVE PRODUCTS AND BENEFITS

INTERNAL USE ONLY

SOFT GATEKEEPING

- First tested in 2018 for a prominent MNC in the Middle-East



- Avg GP costs USD 30 per consult while Specialist costs from USD 80 to USD 170
- GP gatekeeping managed to curtail 80% of acute conditions going to specialist and hence 6% reduction in OP cost was observed
- The model became very common in the market since 2018. After covid-19, teleconsultation setup even more reduced the costs

INTERNAL USE ONLY

LOCAL + HOME COUNTRY TREATMENT

2018

UAE & KSA implement coverage to home country (Mid low segment and low salary band)

Majority of expat population from Southeast Asian countries, with cost of treatment of 32% of UAE or KSA

Due to inflationary pressure, insurers partner with TPAs in many countries to provide a robust provider network in those countries

Providers also looking at this opportunity started to expand their own presence in many other countries

PMI market observed 40% take-up from members for In-patient treatments

- This was proven to be very successful for nationals from many Southeast Asian countries for critical illnesses such as Cancer, Cardiovascular conditions, organ transplant and biologics treatment

INTERNAL USE ONLY

HMO & CLOSED NETWORK MODEL

- Since 2015, there are two different models tested in UAE to control inflation and utilization. Insurers would tie-up with a group of provider and close the network for a client so due to economies of scale the cost would be managed by the provider.

MODE I	MODE II
➢ For a selected client insurer would evaluate the OP risk and cost per member. ➢ The calculated amount would be paid for this client to the provider group on monthly basis. ➢ In-patient will be based on referrals only but to other providers and not within the same group of providers. ➢ In-patient will be paid as per consumption.	➢ Same as model I but for total coverage. ➢ Insurer only deducts expenses/commission/tax from the premiums and passes the rest to the provider group on monthly bases.

- This was successful for blue collar industry and sub-groups. However, it came with challenges of administration for both insurer and provider. Also, there were many fraud, waste and abuse audit challenges observed.

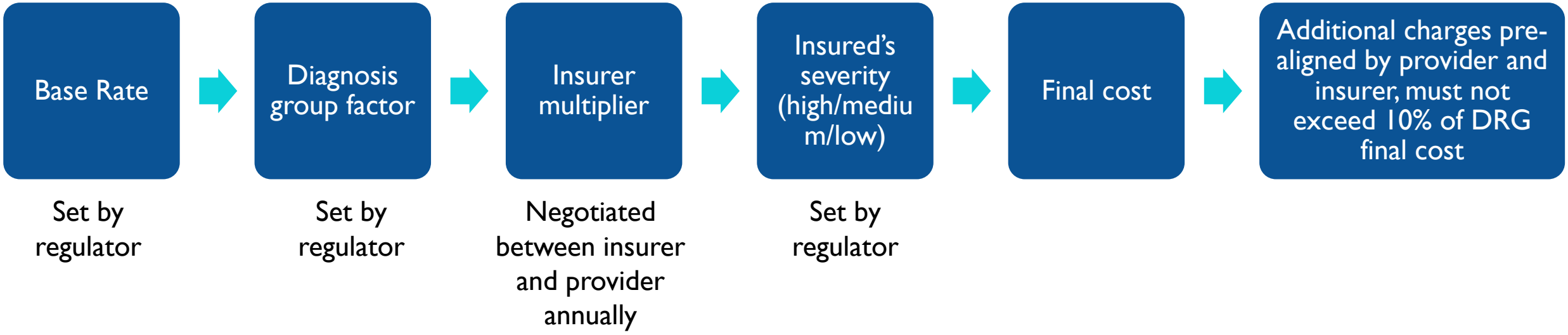
INTERNAL USE ONLY

OPTIMIZED UTILIZATION STRATEGIES FOR EFFICIENT HEALTHCARE DELIVERY

INTERNAL USE ONLY

DIAGNOSIS-RELATED GROUP SYSTEM (DRG)

- By 2022, UAE has implemented DRG system across all Emirates for in-patient treatment. It's an online based model integrated with both providers and insurers

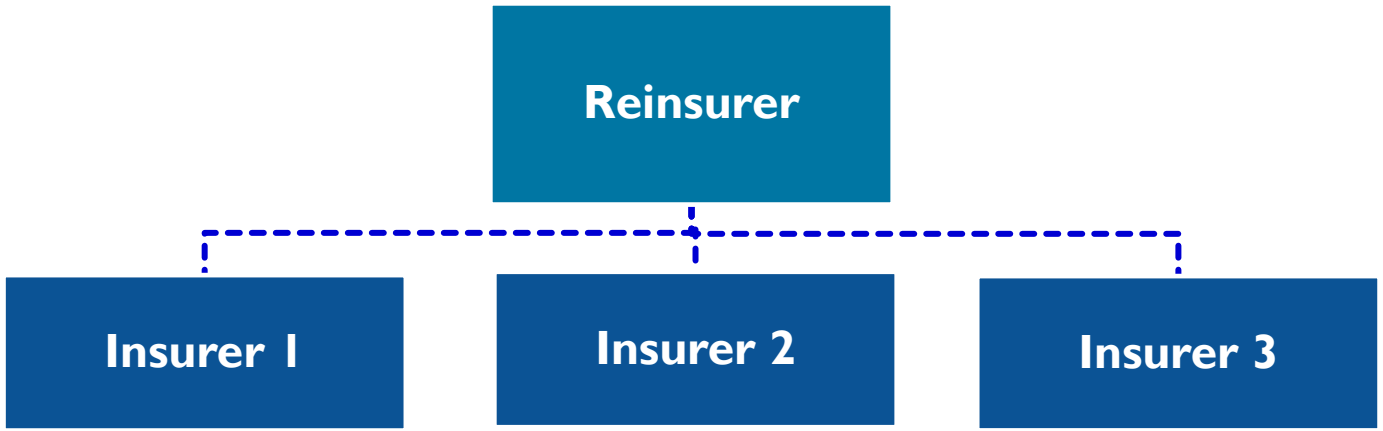


- Regulator allows for annual inflation of base rate pre-determined by health ministry and applied to the whole market
- Regulator is now working on a similar system for daycare services also.
- KSA is working on their first In-Patient implementation of DRGs in the Kingdom in 2025

INTERNAL USE ONLY

CRITICAL ILLNESS REINSURANCE

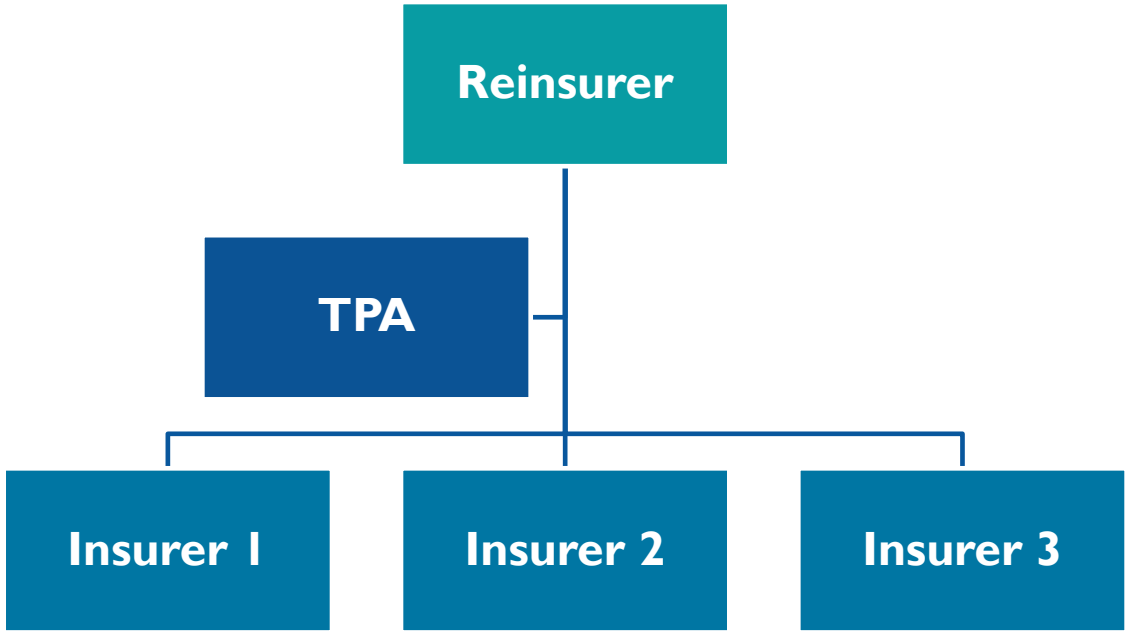
- Few reinsurers have partnered with regional insurance companies to provide critical illness cover for 7 conditions (Cancer, Coronary Artery Bypass, Heart attack, Kidney failure, Stroke and MS)
- The product is priced based on age, gender, industry, nationality, location, benefit limit, etc..
- The cost of this rider is between USD 25 to USD 150 per person per year, depending on rating group and insurer's experience.
- From 2016 to 2022 the cost of the rider was unchanged in the market.
- In 2023, 10% inflation was applied to the cost and currently remains unchanged.



INTERNAL USE ONLY

VERTICAL INTEGRATION

- 2 Major reinsurers and 1 major health insurer have ownership of their own TPAs.
- Insurers working with those reinsurers must use those TPAs
- The economies of scale allows those insurers to enjoy lowest cost per service in the market and hence control year-on-year inflation



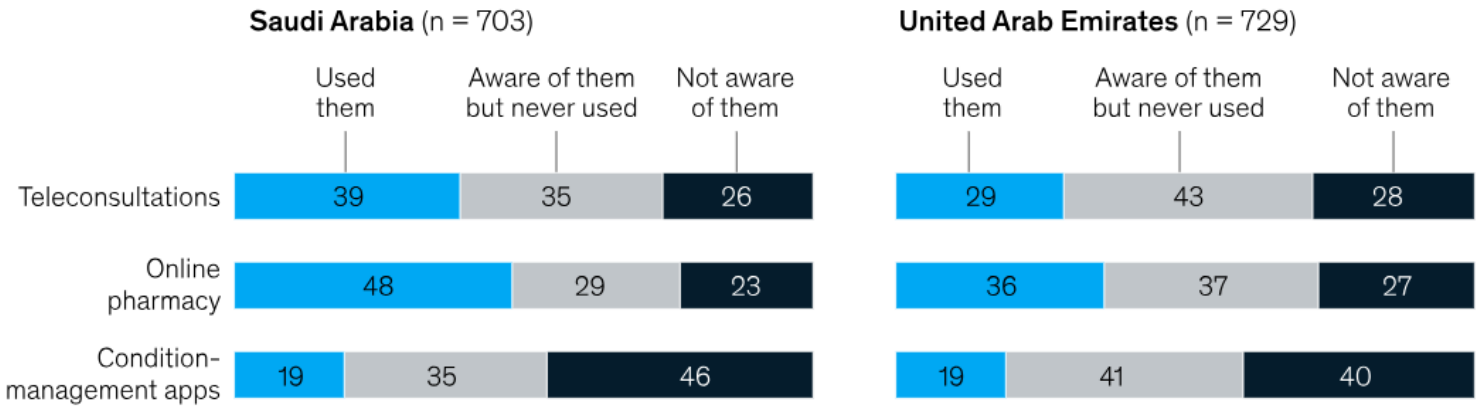
INTERNAL USE ONLY

DIGITAL TRANSFORMATION IN GULF HEALTHCARE SPACE

INTERNAL USE ONLY

TELEMEDICINE IN MULTIPLE SPECIALTIES

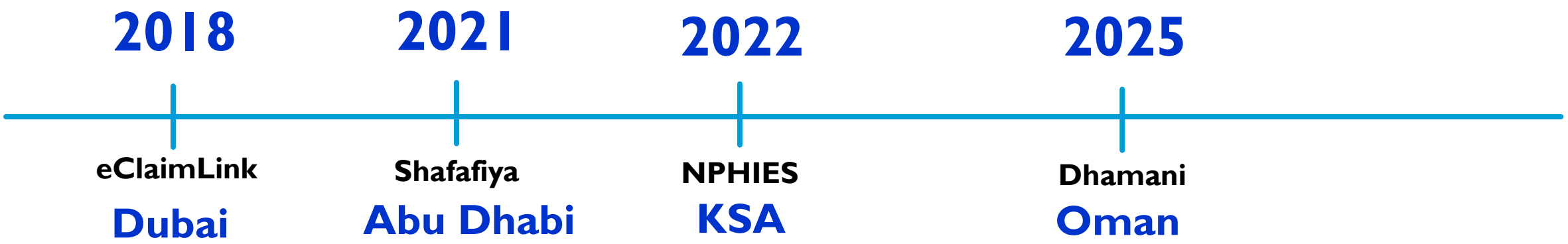
- Telemedicine existed since 2015 in UAE and 2017 in KSA
- Since Covid-19, majority of hospital groups opened their own channel as well to increase market share in this ongoing trend
- Cost of teleconsultation is 20% of physical one. However, with the ease of the service overall OP events were also observed to increase in the markets.
- ~20% of OP events are managed through teleconsultation and ~30% of chronic disease management as well.
- Each insurer have seen different range of savings through the first years of launching. But all insurers observed savings.



Source: McKinsey Digital Health Consumer Sentiment Survey, Kingdom of Saudi Arabia and United Arab Emirates,

INTERNAL USE ONLY

STREAMLINED DATA AND ACCESS TO PROVIDERS



- Launch on integrated e-claim systems across GCC for direct billing has streamlined flow of data, timely payments and transparency among providers and payors
- End consumer has now access to medical records across the country and any provider while treating a patient can access the history through the system
- Providers not only receive the payments on time, but also yearly reconciliation of rejections are now more structured
- Regulator also maintains checks and balance on both payor and provider. Also, consumer compliant management is efficient.

INTERNAL USE ONLY

THANK YOU

INTERNAL USE ONLY