

# **Value based competition – Improving health insurance and access**

**Harnessing the Payer- Provider Relationship**

**Hinduja Hospital**

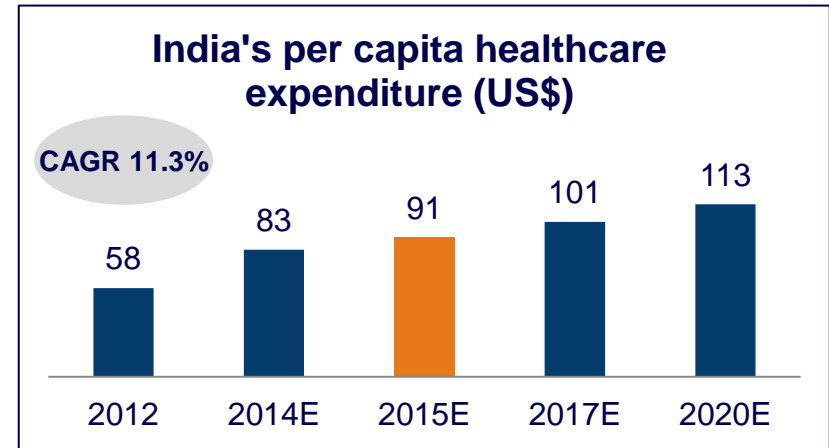
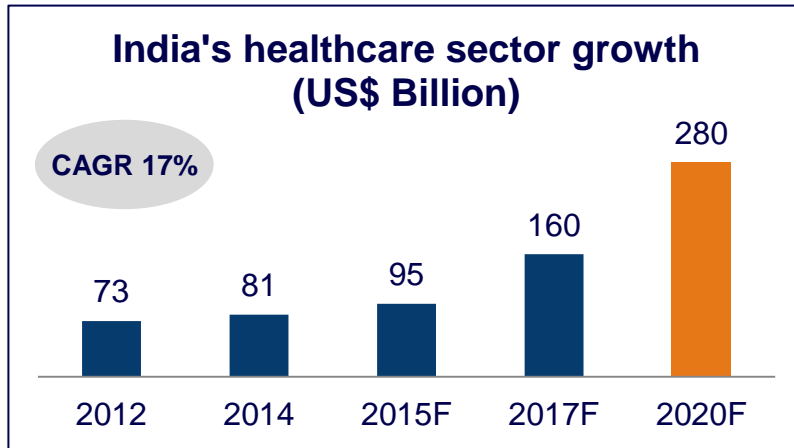
**December 5, 2015**

**Bhargav Dasgupta**

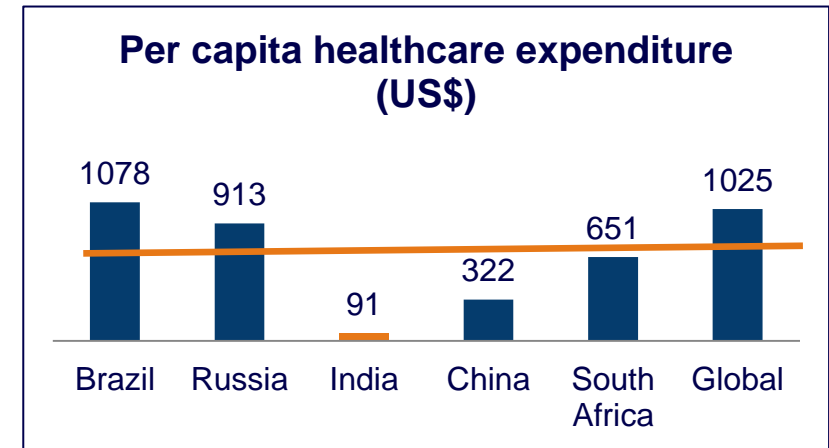
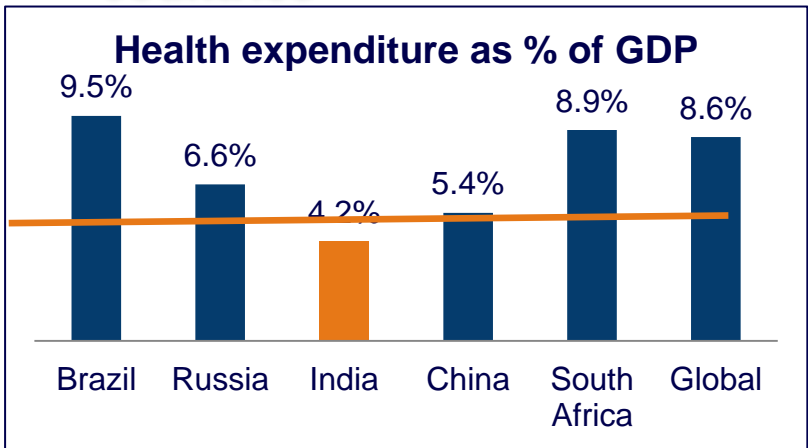
**MD & CEO, ICICI Lombard GIC Ltd.**



# Indian Healthcare market is expected to be **US\$280 Billion** by 2020



**However, India still lags behind as compared to even other BRICS countries**

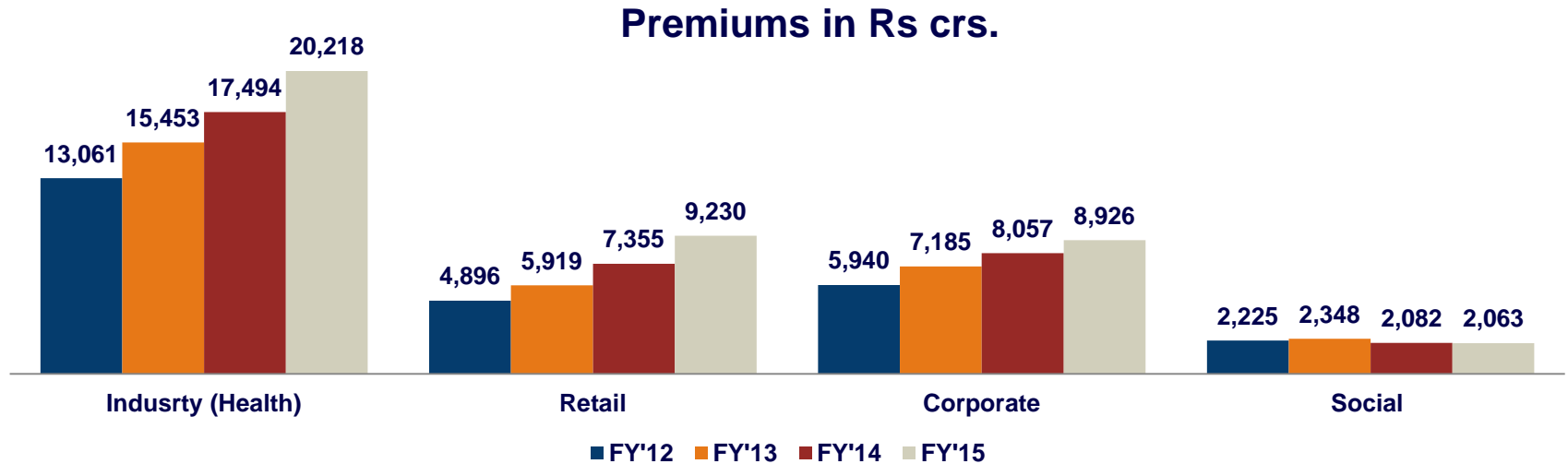


**Healthcare infrastructure will continue to grow to bridge this gap for next 10 years**

SOURCE: India data - Ministry of commerce, 2015; Global WHO Report 2015, Data for year 2012

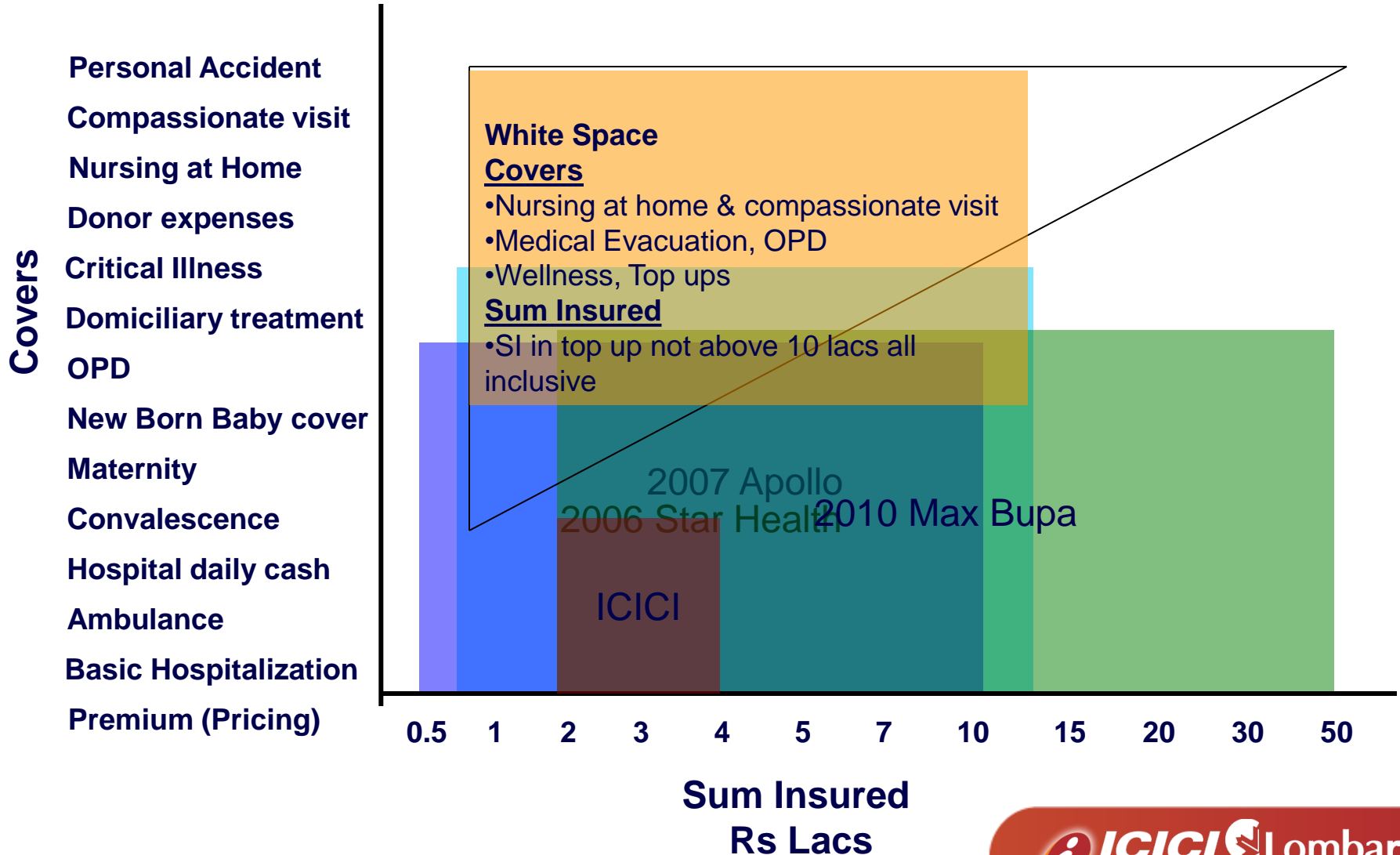


# Payer space has grown tremendously

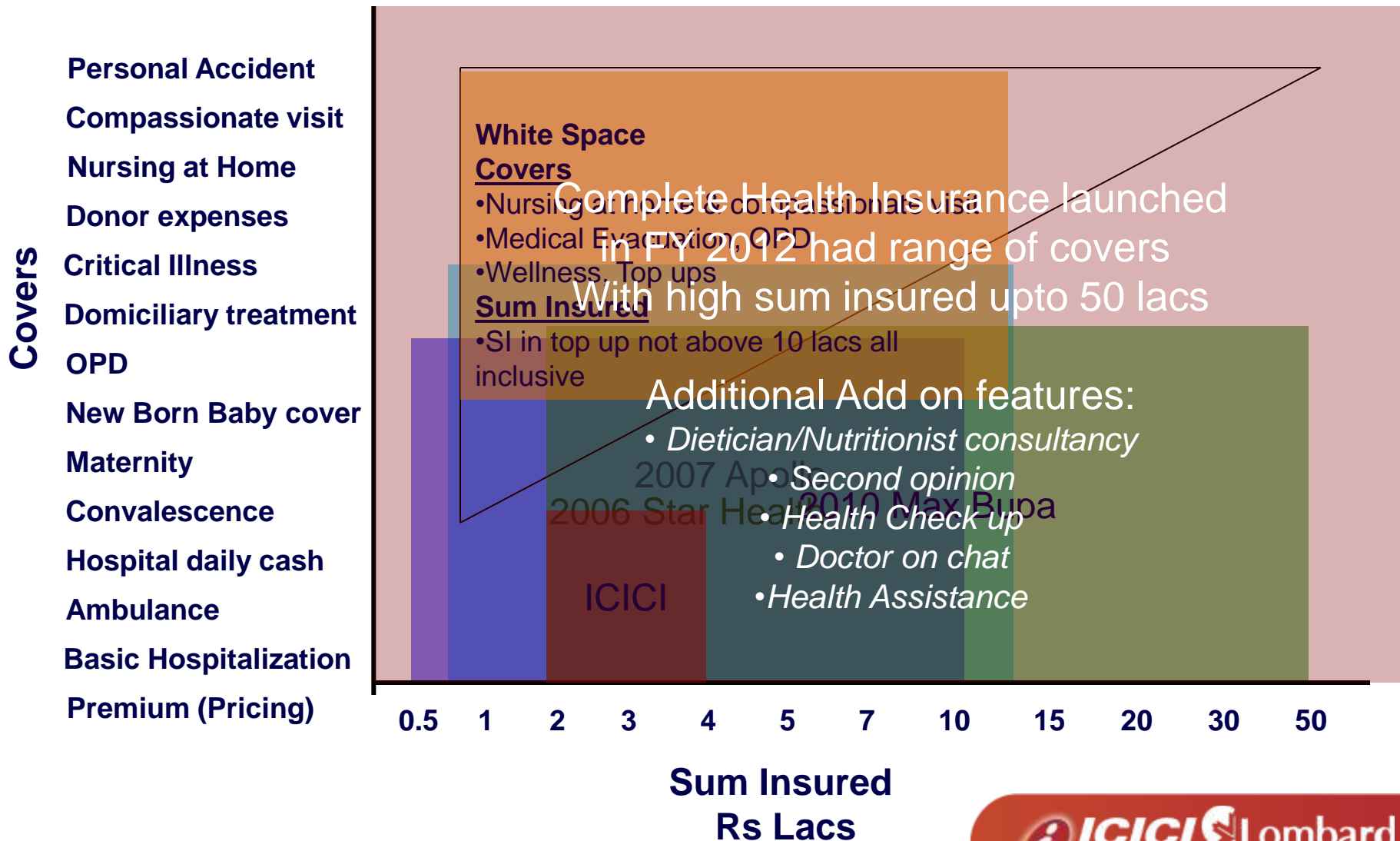


- Increasing private retail insurance demand @20%+ p.a.
- Government's experiment with various supply side and demand side healthcare delivery models
  - Further, proposed increase of the health spends from current 1.1% to ~3% of GDP in its 5-year Plan
- FDI in health insurance increase from 26% to 49%

# Product innovation across length and breadth of covers has taken place



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# Technology driven innovation in service delivery has happened

- Use of smart cards to deliver service e.g. RSBY
- Real time approval – Cashless OPD cards
- Transactions through electronic mode
- Use of online/digital platform in claims transparency



# Focus on service levels

PERCENTAGE OF CLAIMS SETTLED WITHIN				
Insurer	1 Month	1 - 3 Months	>3 Months	No. of settled claims
ICICI Lombard	96%	3%	1%	23%
Public Sector	46%	24%	30%	42%
Private Sector	77%	17%	6%	58%
INDUSTRY	64%	20%	17%	100%

FY'2015 figures

# Pro-active regulatory approach as well as industry initiatives have resulted in increased trust in insurance

## Regulatory Initiatives

- Standardized terms & definitions of coverage
- Life long renewability
- No claims based loading
- Common approach to portability

## Industry Initiatives WIP

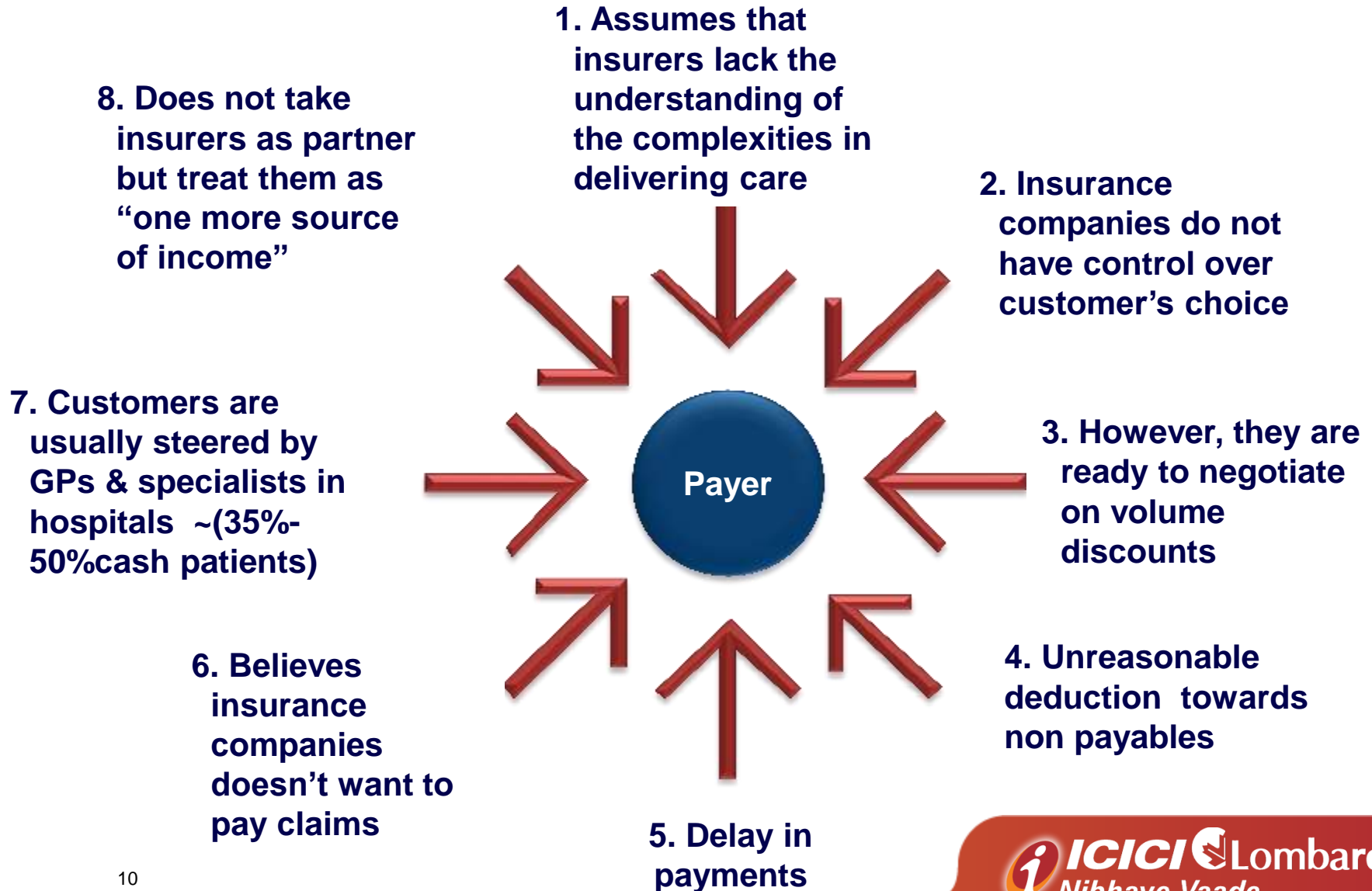
- Standard treatment guidelines
- Minimum standard quality indicators and essential criteria for hospital empanelment



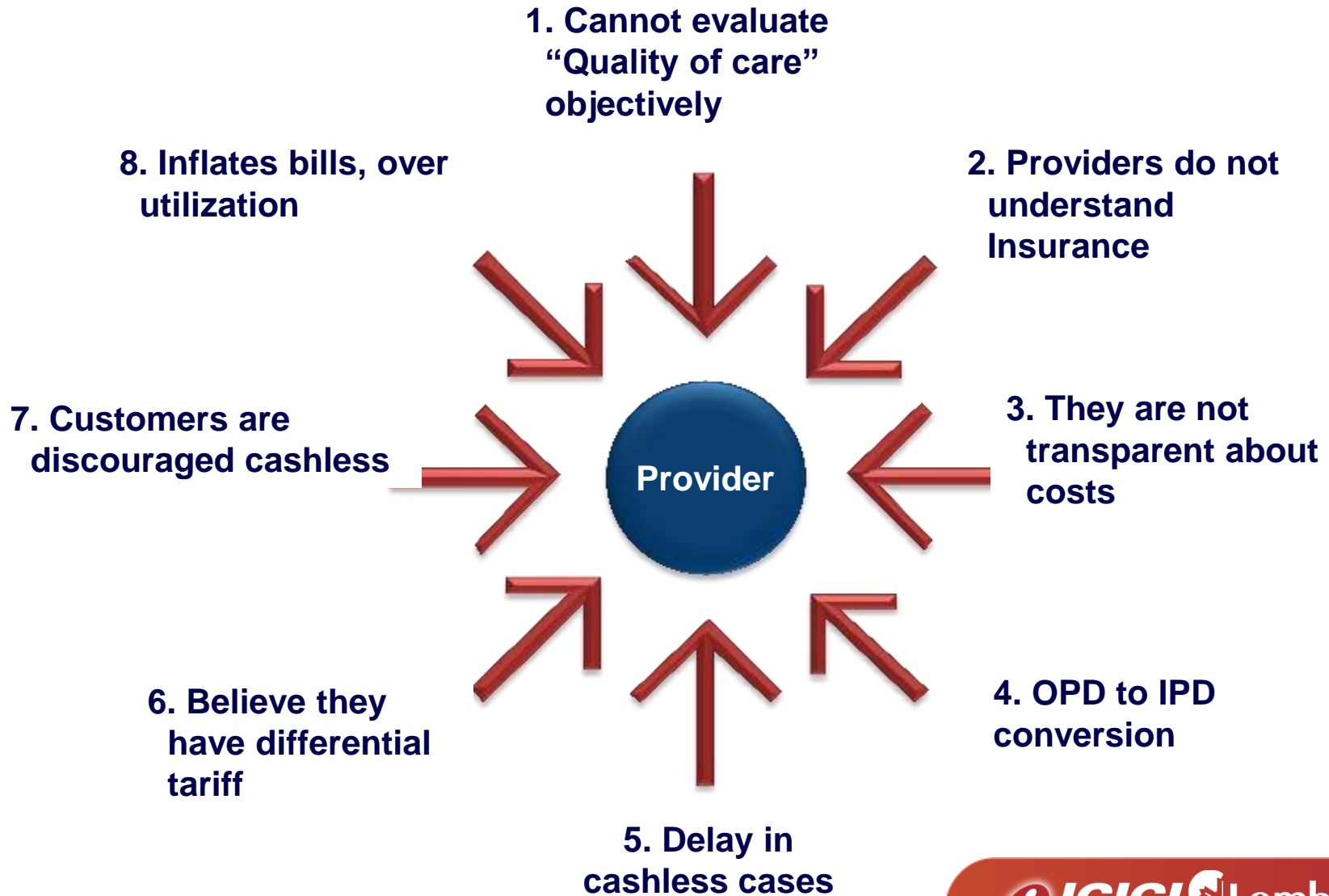
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# Payer – Provider relationship

# What providers say?



# What payers say?



# What consumer says?

## *A survey by ICICI Lombard*

Study across 6 cities with 500+ consumers

### Quality of treatment

Timely treatment/ good service

Pace of treatment and recovery

### Hygiene/ cleanliness

Facilities e.g. blood bank, pharmacy, labs  
etc

Friendly behaviour / attitude of staff

ICU/ emergency care

Clear and prompt diagnosis

Mention cost of services

Ease of administrative formalities

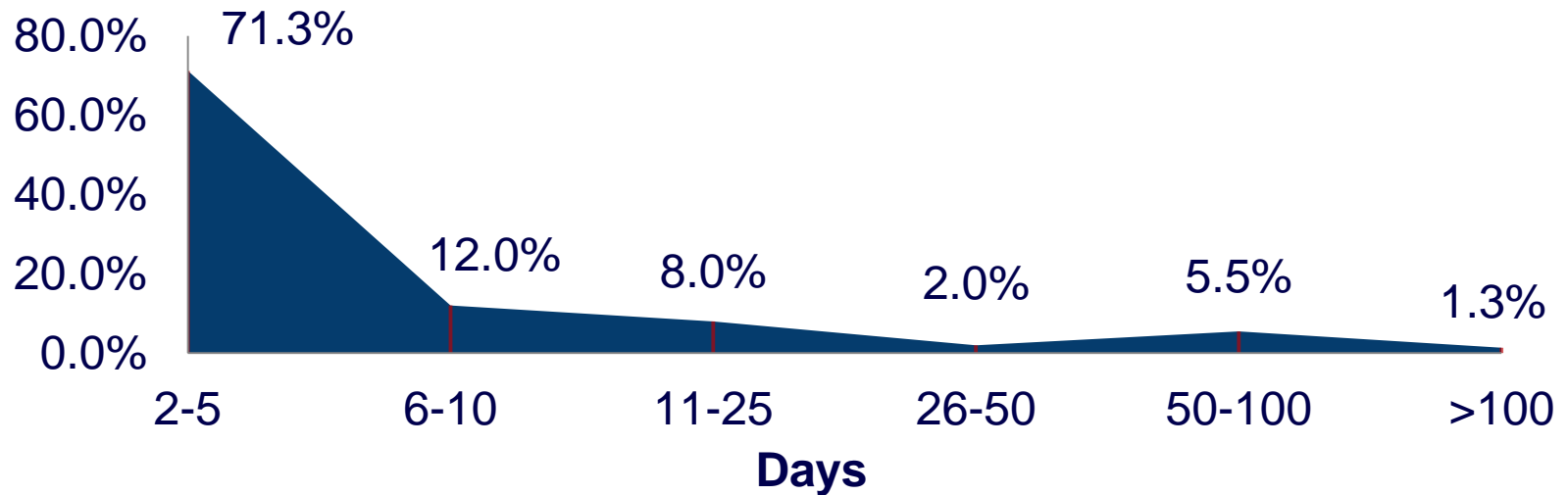
Flexible Relative visiting hours

Accommodation for relatives

- **Consumer does not differentiate between insurer and provider. He/she is looking only at good quality and hassle free treatment**

# Quality healthcare is the biggest concern of the “Consumer” ...

## Time within which patient undergoes readmission



- **Almost 32% of all paid claims in the year 2013-14 were multiple hospitalization cases and around 11% were readmission cases as per ICICI Lombard data.**

*Multiple hospitalizations differ from readmissions by difference in diagnosis for repeated hospitalization*

# Markets are changing in healthcare & health insurance worldwide - Blurring boundaries

Past

## Healthcare

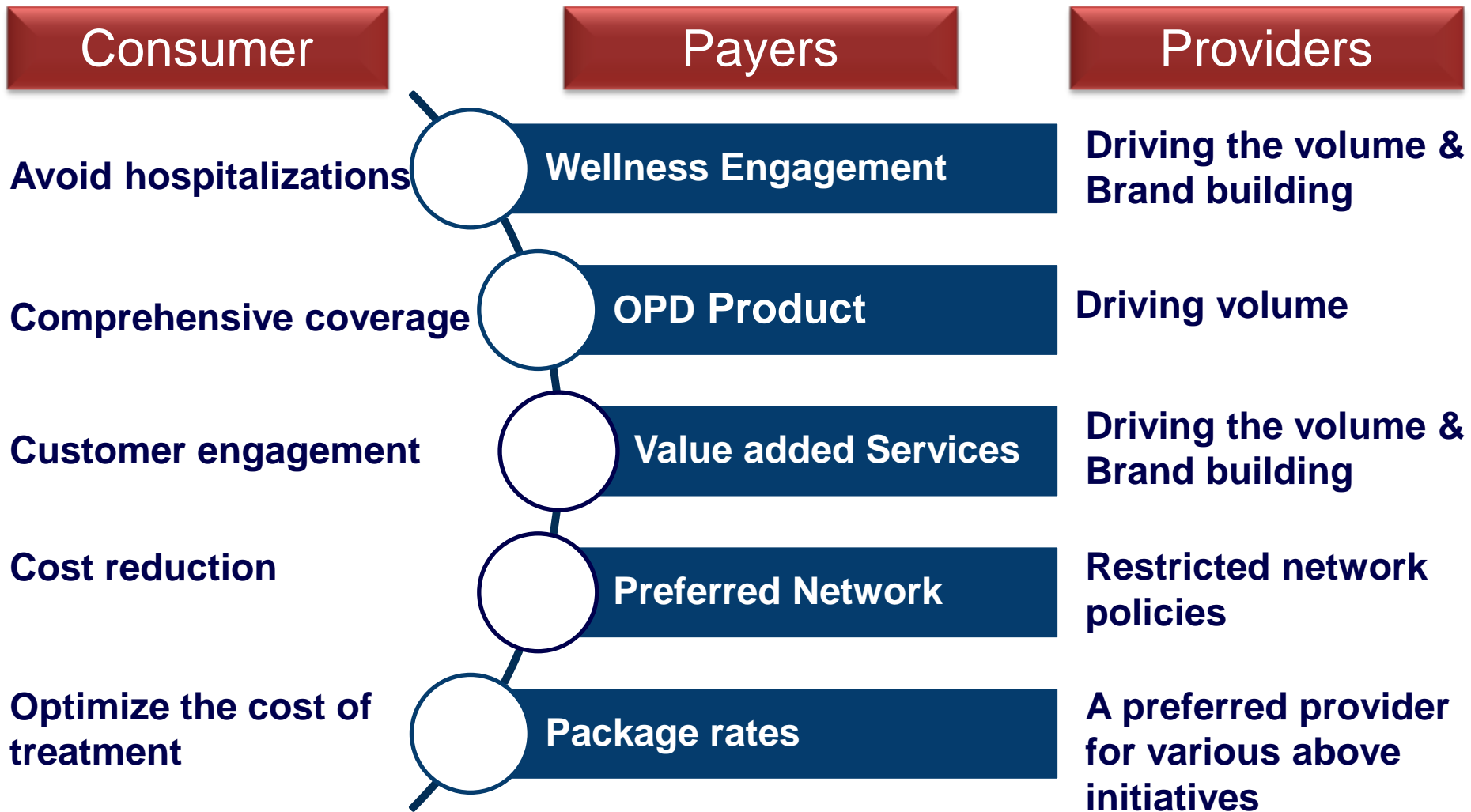
- Episodic treatment of the sick & activity
- Rising costs and transactional care
- Independent and detached providers
- Outdated technology and communication
- Continuum of care for customer
- Transparency & Pay for performance
- Emergence of Accountable Care Org.(ACO) for gate keeping
- Mobility solutions & customer engagement tools

NOW

## Health Insurance

- Indemnity focused, customer-service model
- Products focusing on mere medical care
- Customer-centric, value-add model
- Merging boundaries with health care companies to provide proactive health protection & engagement

# Merging customer needs, payer/provider expectations for a win-win solution



# Payer-provider working together for the customer – A model





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# Thank you