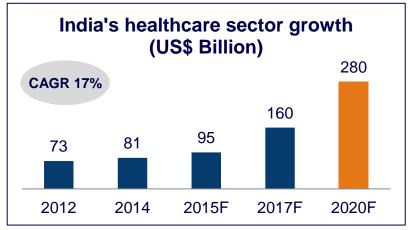
Value based competition – Improving health insurance and access Harnessing the Payer- Provider Relationship

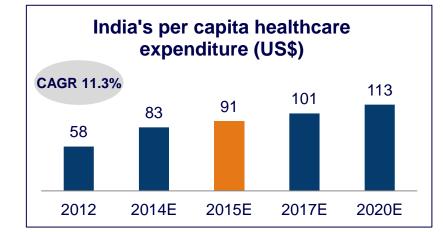
Hinduja Hospital December 5, 2015

Bhargav Dasgupta MD & CEO, ICICI Lombard GIC Ltd.

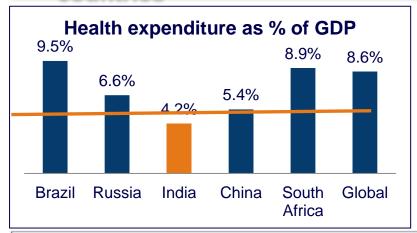


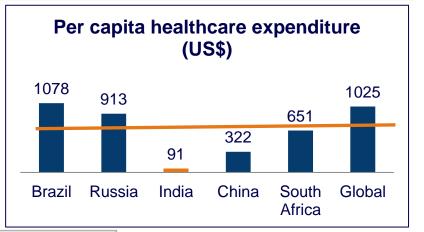
Indian Healthcare market is expected to be US\$280 Billion by 2020





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



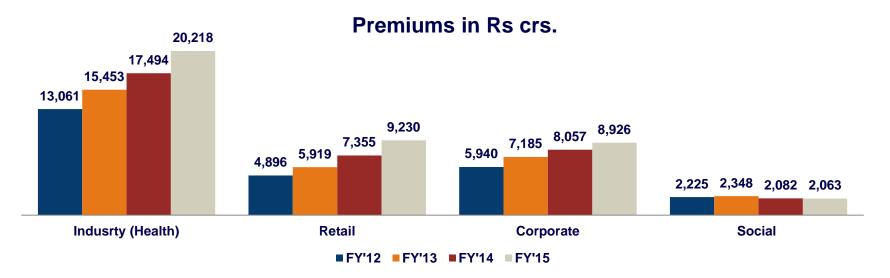


Healthcare infrastructure will continue to grow to bridge this gap for next 10 years

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

icici SLombard

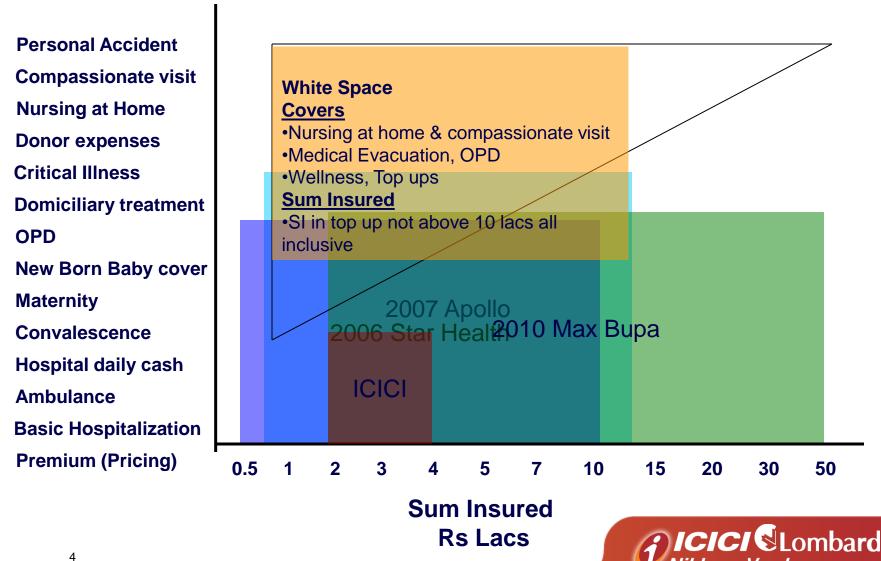
Payer space has grown tremendously



- Increasing private <u>retail insurance</u> 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%

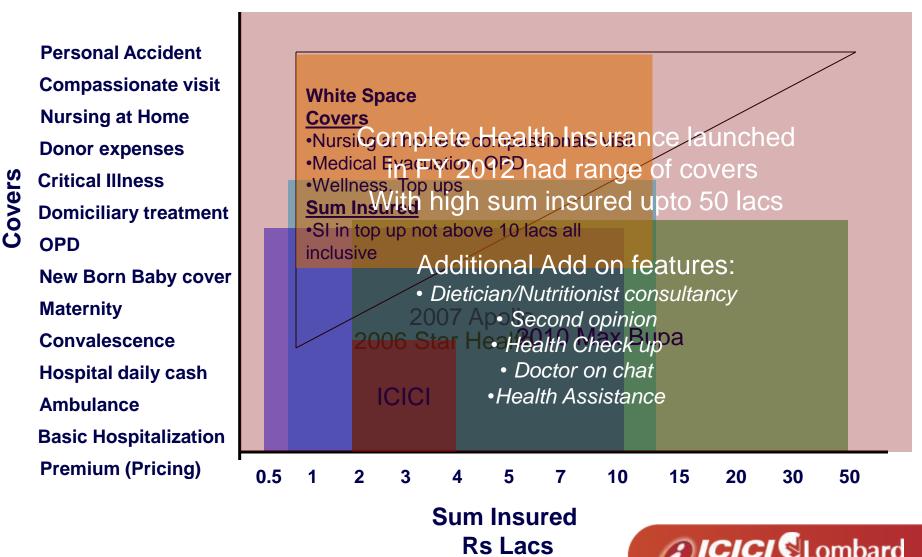


Product innovation across length and breadth of covers has taken place



<u>Nibhaye Vaade</u>

Product innovation across length and breadth of covers has taken place



Nibhaye Vaade

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%	
				EV'2015 figures	

FY'2015 figures



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



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



Payer – Provider relationship



What providers say?

1. Assumes that insurers lack the 8. Does not take understanding of the complexities in insurers as partner but treat them as delivering care "one more source of income" 7. Customers are usually steered by **GPs & specialists in** Payer hospitals ~(35%-50%cash patients) 6. Believes insurance companies

doesn't want to

pay claims

5. Delay in payments

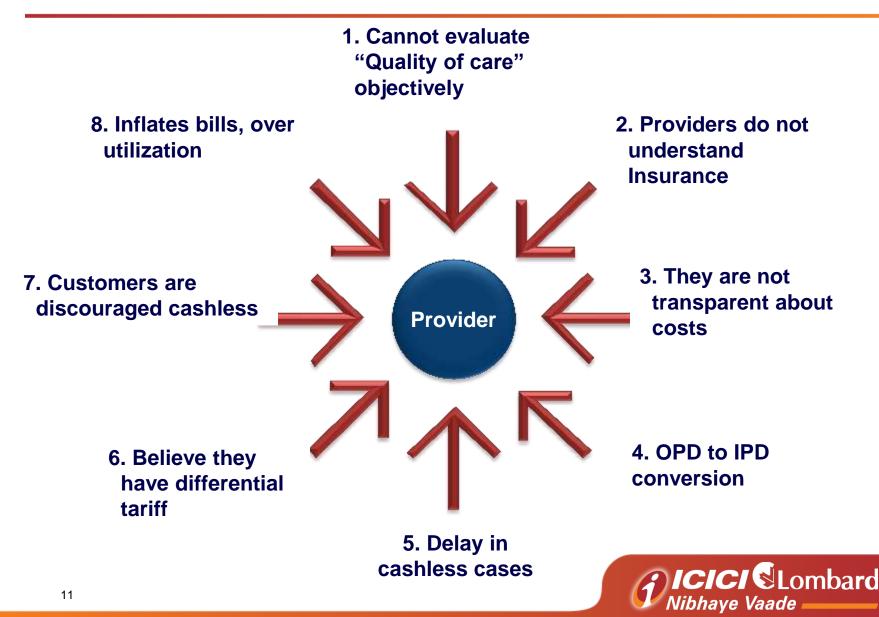
2. Insurance companies do not have control over customer's choice

> 3. However, they are ready to negotiate on volume discounts

4. Unreasonable deduction towards non payables



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

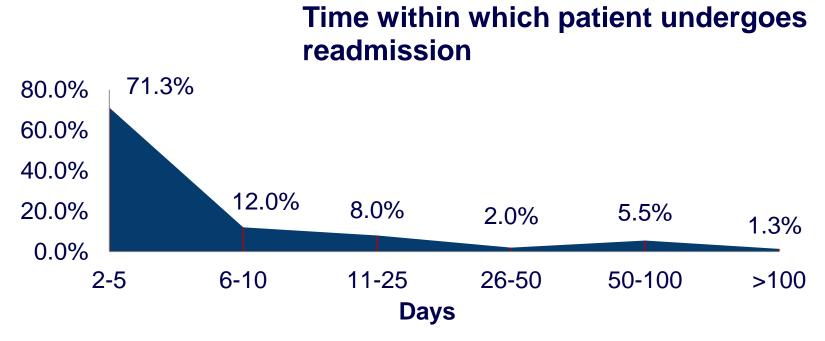
Flexible Relative visiting hours

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"...



 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.

13

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

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

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

Health Insurance

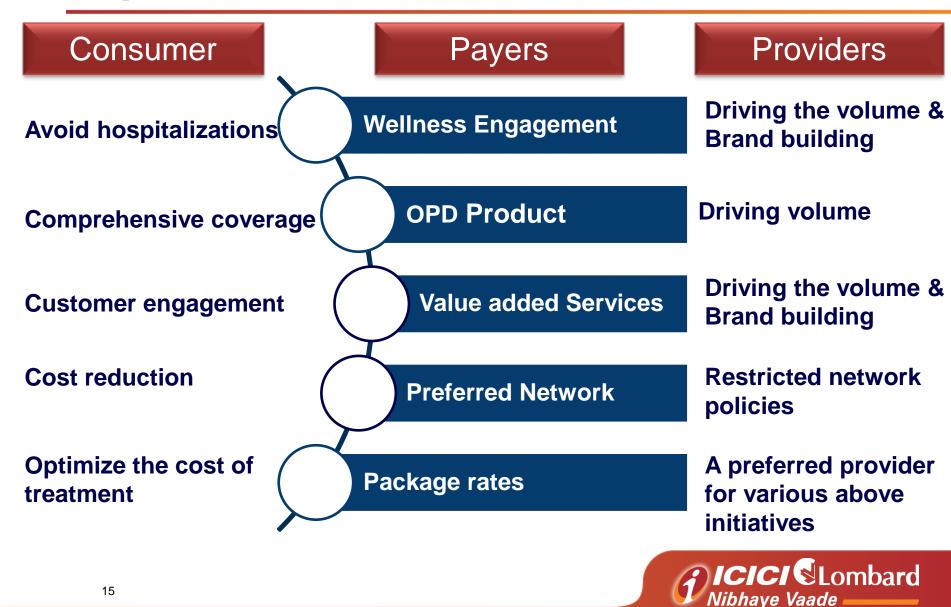
- Indemnity focused, customerservice model
- Products focusing on mere medical care
- Customer-centric, value-add model
- Merging boundaries with health care companies to provide proactive health protection & engagement



Now

Past

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



Payer-provider working together for the customer – A model

First contact	Information gatheringConfirmation – Referral	Outcomes :Go for	DIAGNOSIS Healthspring
Second contact	 Refer to Specialist on basis of co-morbidities 	Surgery /conservative mgmt. Bilateral or Unilateral?	 Nationwide Express Clinics SECOND OPINION Mediangels Health Care Magic Medical 2nd opinion
Third contact	 Provider Information Patient Steering	Treatment Assistance	
Fourth contact	 Continuous Care Follow Up & Discharge 	Admission & Discharge Assistance	 TREATMENT Preferred Provider Network
Fifth contact	Home careDoctor home visitAppointment reminders	Post Treatment Care – Customer Delight	REHABILITATIONPorteaHealthcare at Home

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Thank you

