

*“Declare the past,
diagnose the present,
foretell the future.”*

-Hippocrates

The Vitals

Medical Mag

Introduction:

The world is currently struggling to return to normal amidst an ongoing pandemic and the GCC is no different. Amidst fear of a second wave of the coronavirus emerging, we talk about vaccines and other innovations to tackle COVID-19 that are the talking point across the region. Other than this, in this issue of The Vitals, we explore how Dubai Insurance Market is coping with the new billing system, the new development in the medical insurance sector in Oman, the benefits of Disease Management, and the impact of the recent ban by the UAE Insurance Authority on Capitation schemes.

Inside this Issue

Diagnosis
Related Group
(DRG) billing
system in
Dubai

The new billing system in Dubai which has proven quite beneficial for patients and the impact it has on insurance companies.

We focus on the new platform/scheme in Oman and its contribution to the health insurance industry. We further highlight the phases of implementation for this scheme.

Development
in Oman

Disease
Management

The global causes of death due to diseases and how they can be managed to improve the losses of the health insurance industry.

The aftermath of the pandemic on the health insurance industry and the innovations brought about to curtail the effects of Covid-19.

Covid-19
Developments
in GCC

Impact of Ban
on Capitation
Schemes

The impact of ban on capitation schemes on TPAs and insurance companies.



Diagnosis Related Group (DRG) Billing System in Dubai

On September 1st, Dubai has embraced a global health insurance system, “DRG” (Diagnosis Related Group). The system uses algorithms to fix base fees for treatments of a range of health conditions and seeks to create specific codes for specific procedures and fix the cost as well as medicines and hospital stay duration to ensure that each patient get the basic benefit through health insurance coverage.

Hospitals can only charge a “bundled” cost based on the admitted patient’s diagnosis rather than the cost it spends caring for the patient.

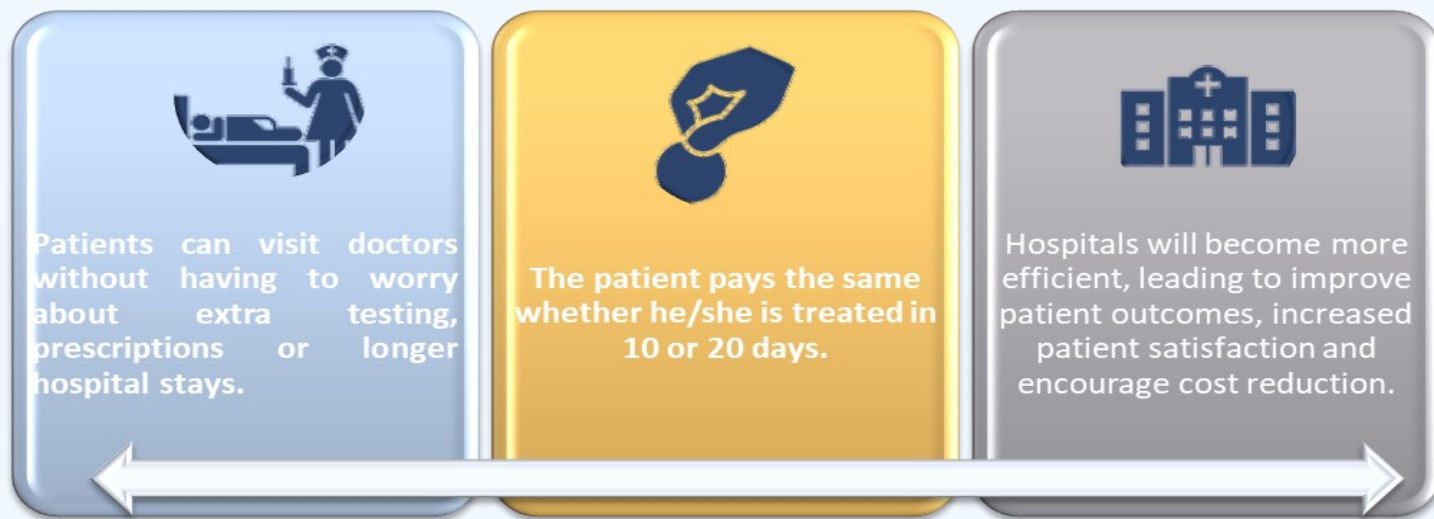
DRGs have the power to speed up the insurance reimbursement process and reduce rejection rates, which can reach as high as 15 per cent in the UAE.¹

Benefits to Patients

The DRG payment system calculates specific payments to be made to hospitals for each inpatient stay. Each patient's hospital stay is assigned to only one DRG, based on the patient's age, sex, diagnoses, procedures provided to the patient, and, sometimes, other factors.

How it works?

When a patient reports to a hospital or clinic with a condition that might require medication or surgery with inpatient care, all details regarding him are considered and placed in the system. If a doctor has to operate, he places the procedure under a set code taking into account all the factors such as patient's age, complications and comorbidities. These factors will assist him to determine which algorithm the case will fall under. There is a corresponding payment schedule for each algorithm which will make it easy for insurance companies to reimburse. The insurance then pays a bundled payment and under this, the cost of treatment, cost for medication and duration of stay are fixed. Hence, this will allow hospitals to be graded according to their experience.²



Impact on Insurance Companies

As insurance companies are reimbursing medical bills that are predetermined, they are able to forecast cost and cannot charge high premiums in the long run. Policyholders will eventually pay cheaper premiums for their health plans and make considerable savings. Moreover, policyholders can develop further trust as the billing system becomes more transparent. This will help Dubai’s residents to understand better what they are paying for.

All private and public hospitals located in Dubai are covered by the new billing system. This new system unifies the codes for similar diagnosis, so it is clear what treatment is required and what will be paid for. Any hospital with a charge substantially greater than the average for that cost of treatment would be flagged to the authorities. The system integration also aids to unify the process of approval for

those members who are insured.³

Instances of various countries

DRG is a widely adopted model across countries including Canada, Germany, New Zealand, Australia, Singapore and Hong Kong. A journal article published in Health Policy sheds light on the evidence of DGRs impact on France, where it was first introduced in 2005. After analyzing the France’s patient classifications, cost data, price settings, payments, expenditures, monitoring and outcomes, the journal concludes that a DGR-based payment system provides enhanced efficiency and transparency as well as improved accountability and productivity.⁴

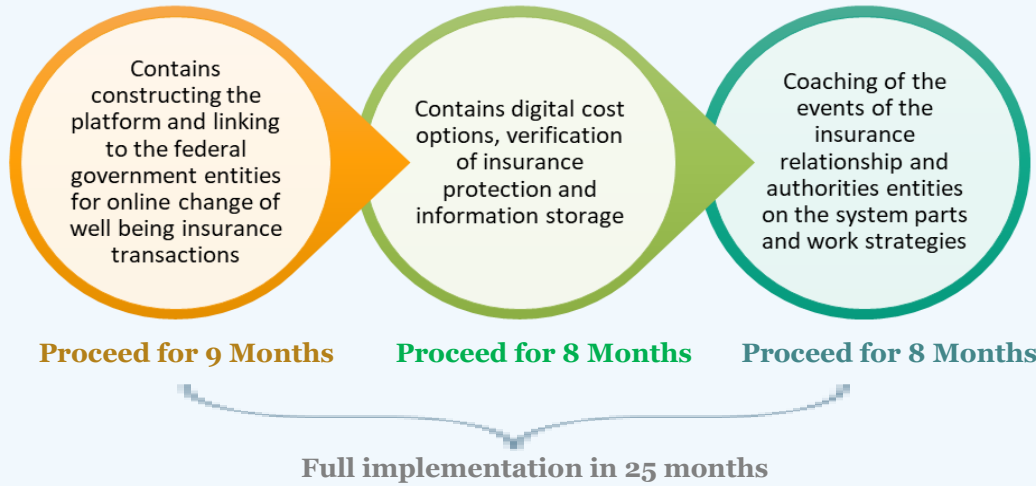


Development in Oman

Oman launches online Dhamani Platform

Dhamani scheme is designed by the Capital Market Authority (CMA) to set out laws, arrange a database for the well being insurance sector, manage awareness marketing campaign on the implementation mechanisms and how one can adapt with well being insurance merchandise beside conducting an actuarial examination on the costs.⁵

Implementation of Dhamani in 3 phases



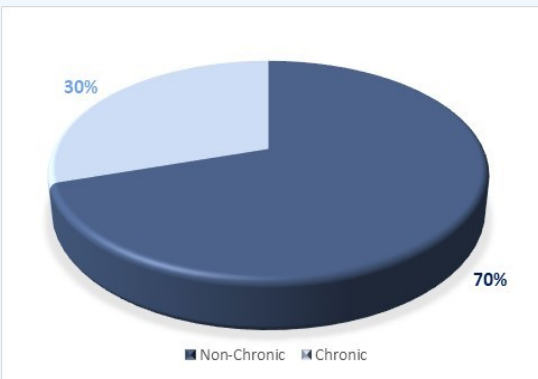
Platform features

- Contributes to the standard of insurance providers
- Redesigning the degree of transparency and accuracy of all transactions on the market situations
- Scale back insurance fraud to take care of market stability
- Spice up confidence within the insurance market



Disease Management

Chronic Vs Non- Chronic Diseases



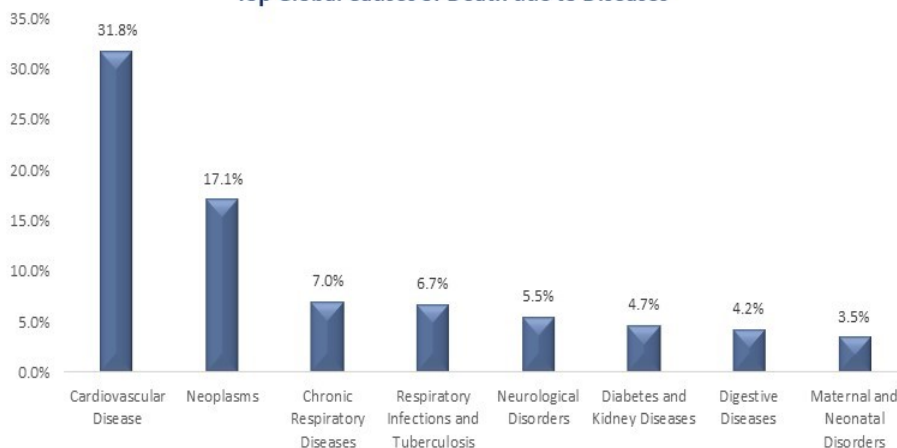
The burden of chronic diseases is rapidly increasing worldwide. Almost half of the total chronic disease are attributed to cardiovascular diseases, obesity and diabetes.

Disease Management is a component in support of the healthcare industry's shift toward value-based healthcare. Through robust patient support efforts inside and out of the doctor's office, providers can boost overall patient wellness and forestall the development

of serious complications, which may ultimately reduce healthcare spending and help them meet clinical quality benchmarks.

Patient engagement is one of the best tools in handling chronic disease management. Making sure patients are involved in and knowledgeable about their health is vital when addressing a chronic illness such as diabetes or heart disease.⁶

Top Global Causes of Death due to Diseases⁷



FACTS

- 2 in 3 adults are overweight, 1 in 3 school children are overweight or obese.
- 20% of Emiratis have diabetes. A further 11% are undiagnosed and 18% pre-diabetic.
- 1.3m adults use tobacco every day. Smoking is responsible for 1 in 8 male deaths.
- 65% of all deaths are the result of lifestyle related diseases, such as diabetes, cardiovascular disease and cancer.⁸

Gulf countries have shown high recovery rates for those affected by COVID-19, which is partially a reflection of effective public health policies and, in the long term, this will contribute to a faster recovery. An average of 81% of patients have recovered in Bahrain, Kuwait, Saudi Arabia, the UAE and Oman compared with the global figure of 57%.¹⁰



Health Sector in GCC



Pricing in healthcare is expected to go up as the demand for medical services increases.

In 2020, an average reduction of 10% in the gross written premium in GCC markets is expected, particularly when the market is opening up.¹¹

UAE hospitals offer Rehab programmes

RAK Hospital and Amana Healthcare have announced therapy programmes to help patients left with serious health issues and impairments after beating the coronavirus. The country announced a 90% recovery rate among patients with the majority making a full recovery.¹³

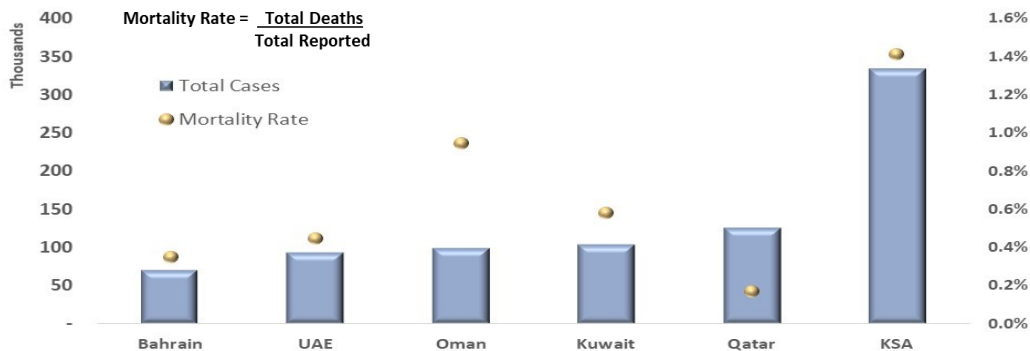
ADNIC – Ma’an Campaign

ADNIC has contributed AED 3m towards the Ma’an ‘Together We Are Good’ programme, as part of its efforts to support the UAE community in addressing the impact of COVID-19 outbreak.¹⁴

Daman and Health care providers fight Covid-19

Daman has joined DoH, the Authority of Social Contribution - Ma’an, Etihad Airways and other public and private healthcare providers to combine efforts with Plug and Play ADGM to form the ‘Alliance to fight COVID-19’.¹⁵

COVID-19 Mortality Rates by Country⁹



Covid-19 developments in GCC

Covid-19 has stressed the global economy like never before as the health crisis has quickly transformed into an economic catastrophe. The unparalleled events that have unfolded over the last six months have had a profound impact on all sectors and the long-term economic consequence

could be significant. While several industries are reeling under the unprecedented cutbacks amid the pandemic, the healthcare sector has been the most resilient with business models evolving to absorb the shockwaves that have left many paralyzed.

Implications of Covid-19 for Insurance Sector

The most immediate concern for insurers is protecting the health and safety of employees and their distribution partners in the agent/broker community as they strive to maintain business continuity. Like the commercial policyholders they serve, insurers are being challenged to review and update their crisis management plans and take steps to continue operations with a minimum of disruption to clients.

deep machine learning to promote customized and intelligent solutions for health insurance providers in the UAE.

AI is predicted to add AED 668 billion to UAE's economy by 2035, with the healthcare industry expected to take AED 81 billion slice of the gains in its gross value added.¹²

COVID-19 could also disrupt an insurer's client service, starting with its distributors. Agents, brokers, and financial advisors will likely face many of the same risk management and logistical challenges as those being addressed by their carriers, especially since many may also have to work from home. Meanwhile, face-to-face meetings with prospects and clients may have to be avoided until the risk of exposure passes.

COVID was a blessing in this way that now people are using eChannel's and now aggregators have also become licensed. Currently, the aggregator market is at a growing stage with several stakeholders wanting to use this channel for convenience purposes especially now during the COVID-19 pandemic because of which selling products has become a challenge. It is observed that companies with an online portal for selling products are benefitting the most during the lockdown. All insurance companies who do not have online portals will face issues.

Hence, the industry aiders are making use of artificial intelligence, blockchain, and



Machine Learning



Blockchain



Artificial Intelligence

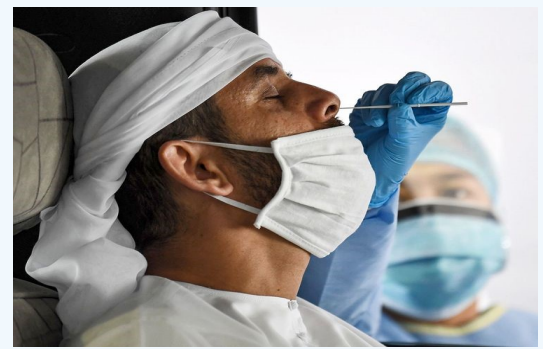
Highlights

- Dubai reduces Polymerase Chain Reaction (PCR) test cost from DH370 to DH150 for government hospitals and to DH250 for private hospitals.¹⁶
- In Abu Dhabi PCR test cost reduces to DH180 from DH370.¹⁷
- In Oman, the RT-PCR test cost OMR35 and POC-PCR test cost OMR 50.¹⁸
- The increased risk for serious COVID-19 illness appears more pronounced with extreme obesity, or a BMI of 40 or higher.¹⁹

Startups in GCC Region

GCC has made rapid strides in recent years and is fast becoming a Silicon Valley for healthcare in the wider MENA region. It has transformed into a hub for several digital start-ups such as Altibbi, Vezeeta, HeyDoc, Medicus AI, Sihatech, Health At Hand, Nala, SaayaHealth, Yodawy, AlemHealth, Meddy, and Cura among others that have carved a niche with curated offerings for patients during the pandemic. These technologies will help in fighting all kinds of diseases, as well as improving access to healthcare services at affordable prices.

The UAE has likewise built up a rapid Covid-19 laser testing technology (QuantLase Imaging Lab) that gives results in seconds, empowering a lot quicker mass screenings. In the wider GCC,



startups such as Bahrain-based Doctori are working to address problems presented by the pandemic, as they provide free consultations in collaboration with the WHO, with the aim to launch services across the MENA region. Such encouraging developments have transformed the GCC's image, especially the UAE, in the global map as an enabler in the fight against Covid-19.²⁰

Elective Surgeries permitted

Healthcare facilities have welcomed the restoration of most services in line with the UAE government's decision which will help revive the health care sector and also help stem the tide of patients in need of surgeries. Hernia repair, cancer operations, knee replacements, IVF treatment and even a staged cosmetic surgery are among the wide range of elective surgeries that accompany with varying degrees of complexity and urgency.

Earlier, elective surgeries were allowed only under local and regional anesthesia. Now, surgeries under general anesthesia will be resumed for all medical specialties, given the operation time does not surpass over two years. However, in case of an emergency, the procedure can be performed regardless of the time duration as per the decision of the physician.²⁴

'Near-Perfect' Coronavirus Vaccine

US drug giant, Pfizer and German firm BioNTech are bidding to offer 100 million doses of their vaccine candidate, BNT162, by the end of the year, and up to 1.3 billion doses in 2021. In July, US Department of Health and Human Services and Department of Defense confirmed Dh7.16 billion agreement with Pfizer to produce 100 million doses of a Covid-19 vaccine.²⁵



The WHO listed the hardest-hit countries as Iran with more than 393,000 cases, Saudi Arabia with more than 320,000, Pakistan with just under 300,000 and Iraq with nearly 274,000.²⁶

UAE approves COVID-19 vaccine for front line workers

Abu Dhabi's most senior health authorities were the first volunteers, have now received the second shot of the COVID-19 inactivated vaccine as the 4Humanity Phase III clinical trials build momentum in the UAE.

UAE has issued emergency approval for the use of a COVID-19 vaccine, currently in its third phase of testing in the Gulf country. The vaccine will be available to first line of defense heroes who are at the highest risk of

contracting the virus.²⁷

EU offers to WHO – COVID-19 vaccine initiative

The European commission declared that it offered AED 1,756 million to WHO for Covid-19 vaccine initiative. CEPI, GAVI, and WHO have launched COVAX to guarantee equitable access to COVID-19 vaccines. The COVAX initiative plans to purchase for all countries in the world two billion doses of potential COVID-19 shots from several vaccine makers by the end of 2021.²⁸

In 2020, UAE-based startups, Vazeeta and Okadoc, raised AED 184 million in February alone

Okadoc

AED 37 Million

Vezeeta

AED 147 Million

More recently, Abu Dhabi's tech ecosystem, Hub71, expanded to add 15 new companies to its program this year, prioritizing start-ups that would support the private and public healthcare sector amid the pandemic.

Dubai to kill germs in hospitals and clinics

DHA has introduced eight robots that use ultraviolet light to kill germs in medical facilities. The devices can complete an "exhaustive sterilisation" of a room in 15 minutes. Light from UV lamps shine at 360 degrees and the robot covers each room several times before moving on. UV light has been shown to kill coronavirus on surfaces and is used by other countries to clean medical face masks.²¹

Russia releases first batch of Covid-19

The Russian health ministry registered the first vaccine against COVID-19, named Sputnik V. Russia became the first country to create a vaccine for the coronavirus disease.

Russia says a second COVID-19 vaccine is on its way which avoids the side-effects of the first one.²²

Japan to cover cost of Covid-19 vaccine

Japan's government would bear the cost of providing Covid-19 vaccine to the populace. It also planned to establish funds to compensate for possible side effects from the vaccines.²³



Impact of ban on Capitation Schemes

Ban on Capitation Schemes

The UAE Insurance Authority had issued a circular making capitation schemes related to health insurance business in UAE unlawful and all insurance agents, authorized and licensed entities, such as TPAs must immediately cease the operation of such schemes.

Impact on TPAs and Insurance Companies

The capitation business never had a significant business volume. It was mainly TPAs and provider groups that benefited from this scheme. However, after capitation schemes has been banned, this had a great impact on the TPAs and provider groups.

Insurance companies have been in a bind and when the TPAs ran away, healthcare providers naturally demand payment

from the insurers and it is obligatory on their part to pay because the TPAs have already pocketed the premium but vanished without paying. With the exit of the TPAs, many providers, especially smaller clinics, are in a bind. Even when they were present in the market as the intermediary, the TPAs used to withhold payments on the pretext of wrong coding. Three TPAs have vanished from the medical protection space leaving hundreds of employees, insurers and providers in the lurch.

Dubai's health insurance segment has been affected by the closure of two TPAs within this year. These TPAs had been processing health insurance claims in the range of AED 100m and going bust will leave a big hole in the pockets of related insurers.²⁹

How can we help you?



Pricing and predictive analysis



Fraud Waste and Abuse Detection



Cost Containment Alternatives



Performance Monitoring & Analytics



Profit Optimization



Provider Network Structure

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Disclaimer: Please note that it is possible certain news and research related to COVID-19 as documented in this newsletter may have changed in between the days of its compilation and publication.