

# The Vitals

## Medical Mag

### Introduction:

Through the years, the Gulf countries have made robust development in the healthcare sector. State of the art technologies have been introduced not only in domains of services provision but also in the health insurance sector to make the overall healthcare process simpler for the end-users. Consequently, new milestones have been achieved in the form of introduction of mandatory health plans, rapid development in the use of Artificial Intelligence in Health-care industry, as well as awareness about the need for a system to handle Fraud, Waste & Abuse in the industry.

### Inside this Issue

#### Comparison of Mandatory Health Plans in GCC region

Rising consumer awareness and medical costs have led to the introduction of mandatory health plans. In this section, we examine and analyze the basic knowledge about mandatory health plans across all member states of the GCC region.

In this section, we compare the costs of top Outpatient diagnosis based on network types but categorized in the form of Badri's internally developed Tiers.

#### Cost Analysis of Outpatient Diagnosis

#### Banned Vs Replaced Drugs in UAE

Earlier in 2021, the Dubai Health Authority UAE issued a new unified list of drugs to be prescribed for Out-patient diagnosis. In this section, we have analyzed some of the most common unauthorized drugs and their latest replacements .

In recent times, Fraud, Waste & Abuse practices have attracted the attention of global policymakers. In this section, we examine the literal definitions, practices of fraud and abuse, indicators of fraud and some successfully employed prevention models.

#### Fraud, Waste and Abuse



*“A tremendous amount of needless pain and suffering can be eliminated by ensuring that health insurance is universally available.”<sup>2</sup>*

**- Daniel Akaka, an American educator and politician in United States**

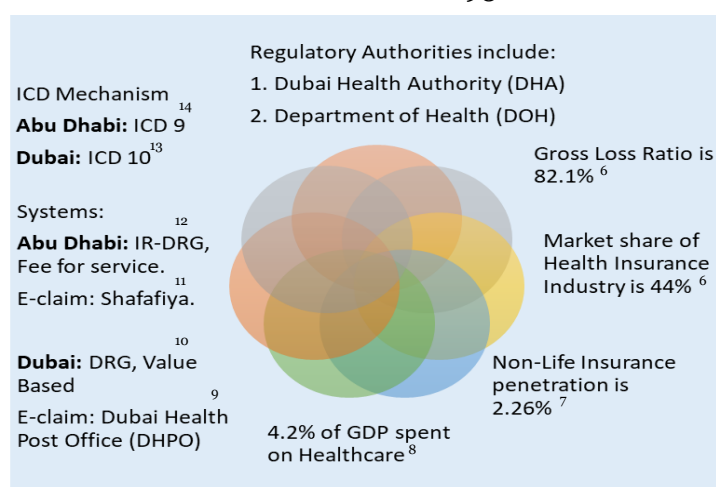
By the end of 2020, the GCC Health Insurance market reached a value of AED 41.87 billion.<sup>1</sup> Available in multiple forms - private health insurance, public health insurance, managed care plans etc - health insurance is a service that covers medical and surgical expenses of the insured individual. Historically, the governments in GCC region were responsible for most of the healthcare requirements of their nationals. However, multiple factors like unsustainability of the welfare state approach, increasing migration, robustly developing infrastructure, rising awareness and appreciation of healthcare costs have catalyzed the demand for insurance policies in the region. As a consequence, the governments have realized a need for mandatory insurance programs specifically designed to meet the exact need of the customers.



## Comparison of Mandatory Health Plans in GCC Region

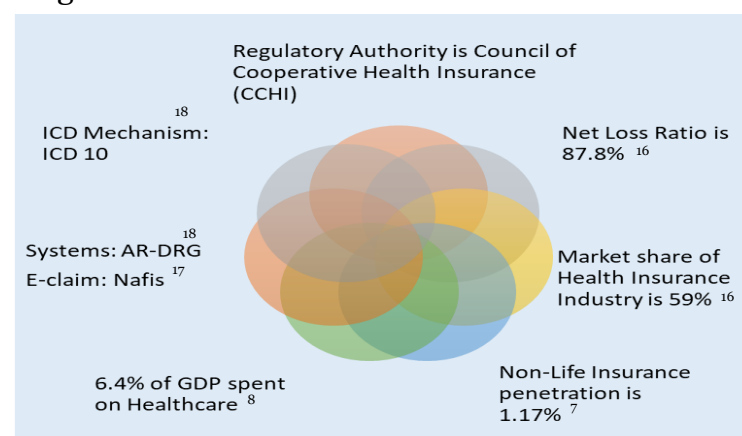
There are a total of 62 health insurance companies and 22 number of third-party administrators officially permitted to operate in UAE.<sup>3</sup> At present, the health insurance industry of Dubai is regulated by the “Dubai Health Authority”. In 2014, the Emirates of Dubai passed a law whereby all residents - Emiratis and expats - were required to have a compulsory health insurance. This scheme, known as the Essential Benefit Plan, was originally offered to the residents at a price of AED 550-700. However, recently it is being offered at a rate of AED 650-800 inclusive of VAT and Basmah fee.<sup>4</sup>

Similarly, the Department of Health performs the regulatory duties for the health insurance industry of Abu Dhabi. Like Dubai, a similar basic plan has also been introduced by Abu Dhabi offered to the citizens at an index rate of AED 950.<sup>5</sup>

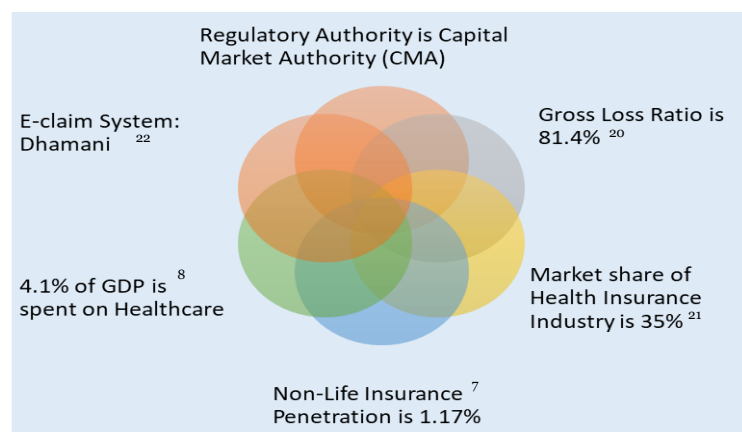


In Saudi Arabia, there are a total of 24 health insurance companies and 5 third-party administrators working in the health insurance industry.<sup>15</sup> The industry affairs are regulated by the

“Council of Cooperative Health Insurance” which has also mandated the “Unified Health Insurance Policy”, making it compulsory for all private sector employers to provide health insurance to employees as well as their families residing in the kingdom.

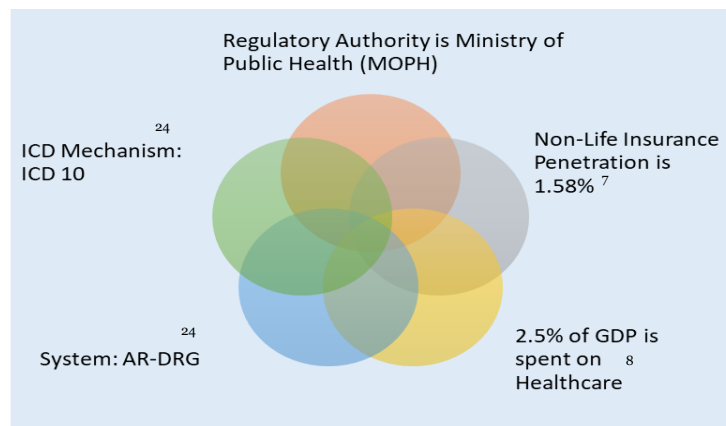


On the other hand, Oman has a total of 16 health insurance companies working in its insurance industry.<sup>19</sup> The country also passed the law for mandatory health insurance and is making commendable performance in this regard.

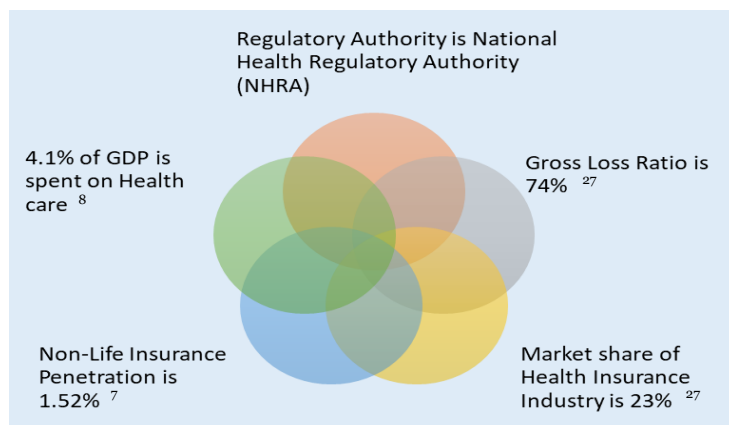




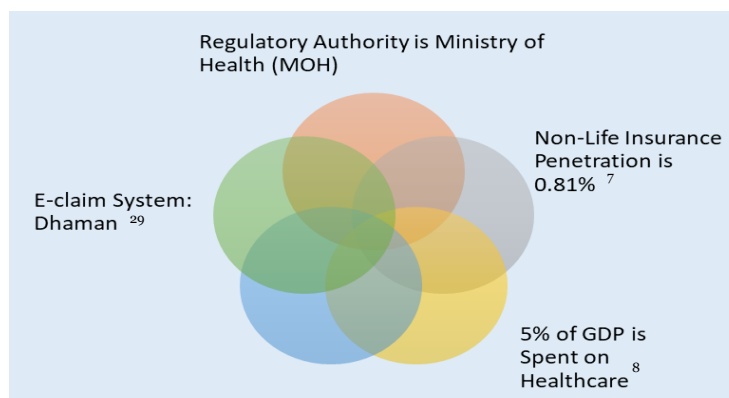
Moreover, Qatar offers excellent healthcare services to its nationals that can be accessed through the local health card issued at a price of QAR 100. In the past, Qatar had a strong social healthcare system, however, it was suspended due to operational reasons. Presently, there are just 12 health insurance companies serving the Qatari market.<sup>23</sup>



At present, Bahrain is home to 36 health insurance companies.<sup>25</sup> In 2019, the Government of the Kingdom of Bahrain introduced the National Social Health Insurance Program that mandates health insurance coverage for every resident, visitor and citizen in the country. As a part of the program, the government covers the medical expenses of the citizens and domestic workers, while the employers are expected to cover the insurance of the expatriates.<sup>26</sup>



Kuwait currently has 42 health insurance companies serving the market. In recent time the Kingdom has launched its flagship project “Dhaman” that intends to establish an integrated healthcare system in the country. Under this system, the regulatory body expects to imply a basic health insurance of KD 130 extended to all nationals and expatriates living in Kuwait.<sup>28</sup>



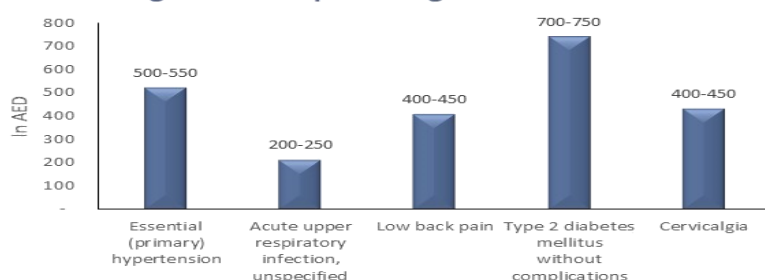
**Table of Benefits**

Basic Plan Comparison	Abu Dhabi <sup>30</sup>	Dubai <sup>31</sup>	Oman <sup>32</sup>	Saudi Arabia <sup>33</sup>
Annual Limit	AED 250,000	AED 150,000	OP: AED 4,771 IP: AED 28,630	AED 489,700
Provider Network	Limited Network	Limited Network	Limited Network	Preferred Provider Network (PPN)
Eligibility	AED 4000/- or below	AED 4000/- or below		
Benefits Covered	Inpatient, Outpatient, Maternity	Inpatient, Outpatient, Maternity	Inpatient, Outpatient	Inpatient, Outpatient, Maternity
Maternity	Covered with deductible of AED 500/- per delivery for IP, AED 20/- for every new visit to GP and AED 10/- for every new visit to Specialist for OP	Max annual limit of AED 7,000/- for Normal, AED 10,000/- for C-section delivery, 10% Coinsurance applicable for IP & OP, 8 Visits to physician, 3 antenatal ultrasound and newborn baby for 30 days are covered	Optional	Maximum Limit of AED 14,691. Complications during pregnancy are covered under the maximum limit of policy benefit.
Consultations	Deductible of AED 20/- for every new visit to GP and AED 10/- for every new visit to Specialist Consultant. Not applicable for consultation with 7 days	Covered with 20% Co-insurance. Not applicable for consultation within 7 days	Covered with deductible of AED 190 for OP	Deductible ratio of 20% with maximum fees of consultant AED 294
Medication Charges	Annual limit of AED 1,500/- with 30% co-insurance. Drugs cost above AED 500/- per invoice- with preauthorization	Annual limit of AED 1,500/- 30% Coinsurance is applicable.	Covered with 10% Coinsurance for OP with a limit AED 48	Covered with a deductible ratio of 20%

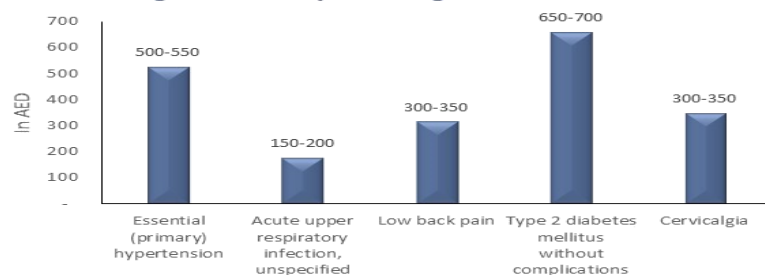
The graphs show average costs of top diagnosis specific to outpatient cases, within UAE, on the basis of Badri tiers. The tiers have been formulated on the basis of network type where average premium is the deciding factor.

Tiers	Average Premium (In AED)
Tier 1	> 6000
Tier 2	> 4000 and ≤ 6000
Tier 3	> 2000 and ≤ 4000
Tier 4	> 1000 and ≤ 2000
Tier 5	> 750 and ≤ 1000

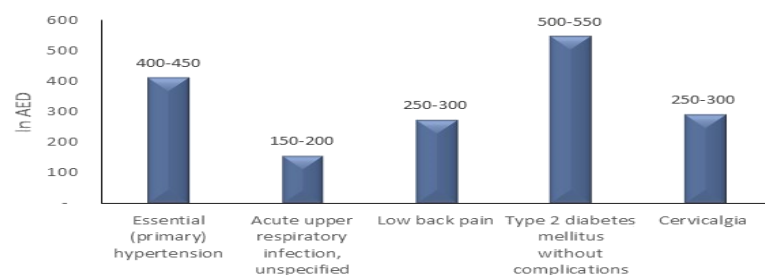
**Average cost of Top OP Diagnosis - Badri Tier 1**



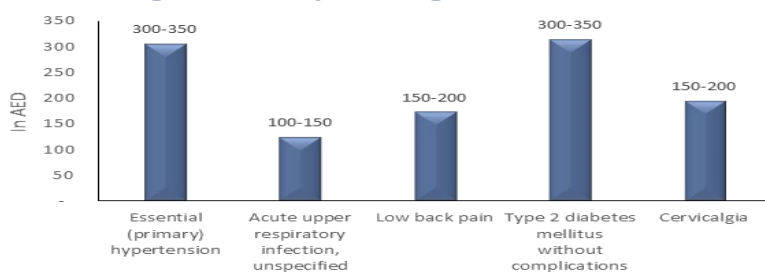
**Average cost of Top OP Diagnosis - Badri Tier 2**



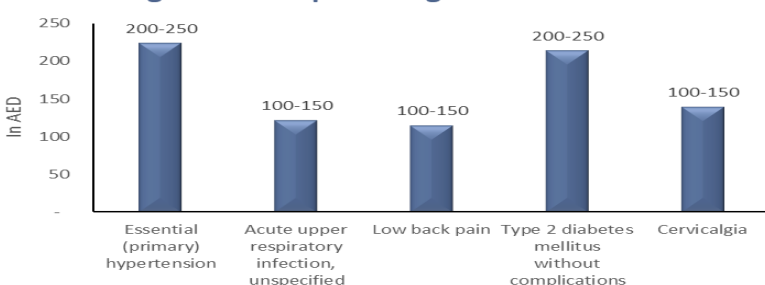
**Average cost of Top OP Diagnosis - Badri Tier 3**



**Average cost of Top OP Diagnosis - Badri Tier 4**



**Average cost of Top OP Diagnosis - Badri Tier 5**



Following is a summarized description for diagnosis illustrated in graphs.

Essential hypertension is a medical condition related to high blood pressure, identified by Cholesterol and Echocardiogram tests. Most common prescribed medications include Metoprolol and Amlodipine.

Acute upper respiratory tract infections include rhinitis, pharyngitis and tonsillitis having symptoms like cough, sore throat etc. Medications include Penicillin VK, Amoxicillin etc.

A muscle or ligament strain is one of the most common causes of lower back pain. For identification purposes, various X-rays are performed. Physicians generally recommend Acetaminophen, Aspirin, Ibruphen etc.

Type 2 diabetes is an impairment in the way the body regulates and uses sugar (glucose) as a fuel. This long-term (chronic) condition results in too much sugar circulating in the bloodstream. For treatment purposes, Insulin is usually recommended.

Cervicalgia is a term used to describe neck pain can arise from various causes including poor posture, muscle fatigue from overuse or even from poor sleeping positions. Physical therapy is recommended incase the pain continues for long.

The graphs illustrate that top diagnosis are similar across all tiers. The ICD-codes for Lower back pain and Cervicalgia is M54.5 and M54.2 respectively. These two diseases are chronic if last for more than three months otherwise it is stated as non-chronic. Fortunately, in present times, UAE has realized the need to educate its people about the healthy lifestyle patterns evident from the fact that the country's health system has implemented routine diabetes screening in primary care centers, and the government has taken the initiative to raise taxes on cigarettes and sugar-sweetened beverages, the revenues then being invested in expanding access to screening and treatment.<sup>34</sup>

## Banned Vs Replaced Drugs in UAE

Originally Used Drug		Replaced Drug <sup>35</sup>	
Trade Name	Public Price (In AED)	Trade Name	Public Price (In AED)
TAXOTERE 80mg	3,900-4,000	ABRAXANE 100mg	3,400-3,500
AMOXIL 500mg	40-50	AUGMENTIN 375mg	50-60
ROCEPHIN 1g IV	60-70	GENTAMICIN 80mg/2ml	80-90
ADOL 500mg	90-100	PARACETAMOL 500mg	20-30
MOTILIUM - Adult 60mg	15-25	ZANTAC 50mg/2ml	20-30

In February 2021, The Dubai Health Authority, in its circular GC 02/2021, issued a list of drugs called “Shifa” whereby, multiple previously used drugs were replaced with new options with an intention to formulate a unified drug list. All medical consultants were instructed to prescribe medications from this list.<sup>36</sup> The table presented above is a parallel cost comparison between 5 drugs that were initially used, and declared prohibited, with their replacements.

The American based drug Abraxane 100 mg has replaced Taxotere 80 mg. Both drugs are used as anti-cancer medications. Similarly, Amoxil 500mg has been replaced with Augmentin 375 mg, an anti-biotic used to treat viruses. Next, Gentamicin 80mg, a drug used to treat serious infections, is the newly declared substitute for Rocephin 1g. Paracetamol 500mg has replaced Adol 500mg. In terms of cost, Lastly, the originally used drug Motilium 60mg has been replaced with Zantac 50mg. Zantac is prescribed to treat conditions like heart burn and acid-indigestion.

## Emiratization and Omanization

Emiratization is the strategy introduced by the UAE which aims to increase the total number of native citizens employed in technical professions. The total number of employees working in the insurance companies of various nationalities amounted to be 10,134 by the end of 2019. Out of these 1,134 people natively belonged to the UAE. Of these working nationals, 696 individuals were employed in technical specialized professions. In other words, 61% of working citizens were employed in technical specialized professions - A true manifestation of Emiratization Strategy's success.<sup>40</sup>

Similarly, Omanization is the strategy introduced by Oman that aims to increase the total number of native citizens employed in technical professions. Statistics reveal that by the end of 2019, there were 3,153 individuals working in various technical and managerial capacities in the Insurance industry of Oman. Out of these, 2,418 individuals were native Omani citizens. In short, 76.7% of the workforce employed in Insurance Industry natively belongs to Oman. Considering the sultanate's vision of Omanization, this number itself is a remarkable success.<sup>20</sup>

In April 2021, the Department of Health Abu Dhabi issued a circular whereby in the period after the commencement of circular, it is made mandatory to update the personal records of all insured members electronically through [www.shafafiya.org](http://www.shafafiya.org). Shafafiya is an information exchange and monitor platform that allows regulators to receive information in a unified pattern.<sup>37</sup>

The Department of Health Abu Dhabi has instructed all healthcare facilities to complete the onboarding with Malaffi platform before 30th June. Malaffi is the region's first health information exchange platform that will securely connect all public and private healthcare providers in Abu Dhabi. The main purpose behind Malaffi is to create a centralized unified patient record easily accessible to all providers to improve healthcare quality and patient outcomes.<sup>38</sup>

The Department of Health Abu Dhabi has declared that from 19th May and onwards the Assisted Reproductive Technology (ART) Medical System will be priced through bundling. This has been made effective after the previously employed system, Fee For Service (FFS) was declared null and void.<sup>39</sup>



Over the years, relevant stakeholders of healthcare industry have been extremely concerned about the fraud, waste & abuse practices prevalent in the GCC region. To express it literally, fraud is any dishonest act committed with a deliberate intention; while waste and abuse refer to the overly excessive misuse of resources. Following are some common examples in this regards.



## Fraud, waste and Abuse

As per the rules and regulations stated in the Health Insurance Law of Dubai, a patient can revisit the same medical consultant within the seven days of the first visit and shall not be charged a fee for it. However, in certain cases, it is observed that patients revisit their consultants in less than seven day's time, yet they are charged with a fee.

Similarly, the Health Insurance Law mandates that a patient cannot claim for more than one consultation in a single day with different providers but for the same diagnosis. However, there are cases where individuals visit multiple consultants during the same day for the same reason.

Moreover, the general rules of insurance indicate that every Health Insurance policy has a maximum benefit limit. This is entirely dependent upon the category of policy. In any case, if the total claims filed by an insured exceed the annual limit of insured's policy, it is not possible to ignore that there are high chances of fraud, waste, or abuse.

Also, to encourage the use of similar set of drugs, the Ministry of Health & Prevention, UAE has issued a single list of drugs. All health consultants are instructed to prescribe the any medicine, if need be, from the authorized list of drugs. However, it is observed that some health consultants continue to prescribe drugs outside the authorized list. While this is not a case of waste, it surely is an example of fraud.

Examples of other indicators that help deduce the effectiveness of fraud, waste, and abuse engines include: <sup>41</sup>

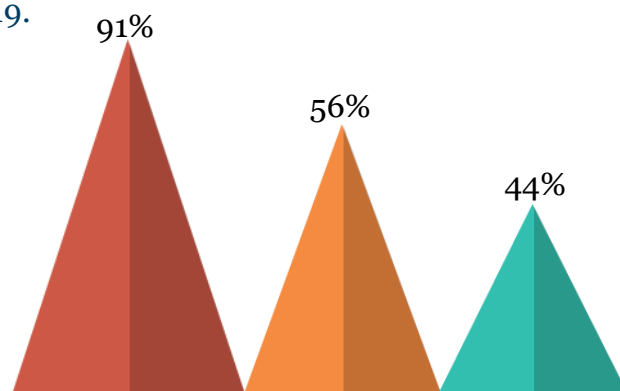
"Loaning" or using another person's insurance card

Alteration of documents

Failure to disclose information that may affect conditions of coverage

### Case-study

In 2019, a research was conducted to study the scope of fraudulent behavior practices in the health insurance industry of Saudi Arabia. To accomplish this objective, data were retrieved from anti-fraud records of ten leading health providers and the focus was mainly on individuals involved in unethical practices between 2014 and 2019.



It was discovered that more than 91% fraud cases were reported, where males represented 44% while females represented 56% of the cases during the last six years. Most incidences of moral hazard occurred in dental services, with the least related to treatment services.

Using another's medical card was a major moral hazard practiced among the sample; within 99 cases reported from the providers, females represented the majority (51%).

44%



56%



51%

However, as a means of moral hazard, misleading information was higher among males than females.

Overall, females tended to practice fraud more than males in this study. <sup>42</sup>

## How can we help



**Pricing and  
predictive  
analysis**

**Fraud  
Waste and  
Abuse**



**Cost  
Containment  
Alternatives**

**Performance  
Monitoring &  
Analytics**



**Profit  
Optimization**

**Provide  
Network  
Structure**



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