

Sustainable Healthcare

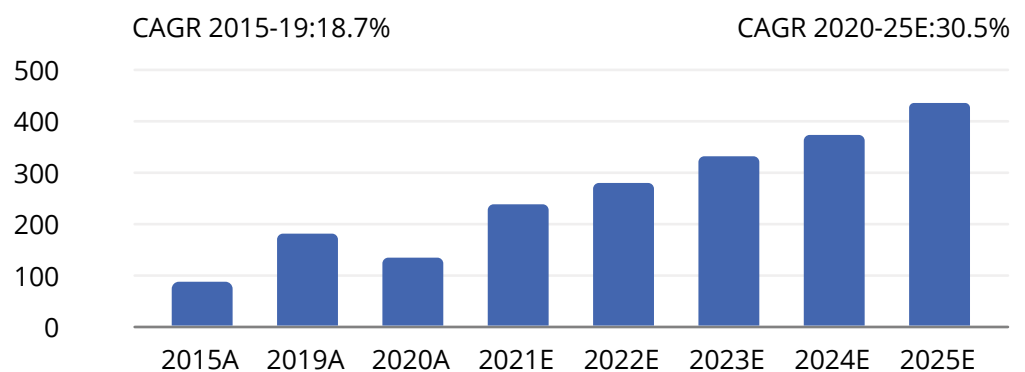
Post Pandemic

For our country, including our citizens and businesses, the last five months have been transformative. India is now one of the top three countries most affected by the Coronavirus pandemic. The pandemic has left its mark on almost all industries and sectors around the healthcare landscape, including health insurance. Although the pandemic shows no signs of slowing down, we can now estimate its effect on the health insurance industry shortly.

The Indian healthcare market is projected to expand rapidly, with 2020 estimates at **USD 114 billion**, up from **USD 92 billion** in 2015 at a CAGR of **18.7%**, and reach **USD 432 billion** in 2025 at a CAGR of **30.5 percent** over the period 2020-21 to 2024-25. The COVID-19 pandemic made 2020 an unusual year for India's health-care sector. The expected CAGR is **15.4 %** between 2019 and 2025.

Health Care Market Size, India, USD Billion, 2020-25E

Ref - Frost and Sullivan Report, 2021



Let's start with a look at the positive changes that have occurred in the health insurance industry in recent months.

To begin with, there has been an encouraging 30-40% increase in health insurance adoption among industry participants, with some seeing a larger increase than others. It goes without saying that providers with a strong digital delivery process and easy access would benefit greatly from this boom.

Second, there has been a significant change in the sector toward digitalization. Not only requires digital delivery strategies grown in importance, but the design of services has also necessitated a focus on digital processes across the board: whether it's underwriting processes, policy issuing processes, or claim filing processes.

Then there was a noticeable shift in consumer perception. The pandemic has prompted a sudden recognition of the importance of protective investments, especially in the areas of health and life protection. When it comes to return-based instruments, health insurance has taken the lead, both in terms of ensuring access to affordable healthcare and in terms of investing in healthcare financing. This could eventually lead to health insurance becoming a "pull" product rather than a "push" one.



However, the picture is not entirely rosy. The health insurance sector is dealing with several problems and uncertainties as a result of the pandemic. To begin with, there is the apparent and unsettling confusion surrounding Covid-19 treatment costs. In several ways, the Coronavirus pandemic is a nightmare, with considerably higher claim costs than those typically associated with infectious diseases and epidemics. Most insurers are also trying to figure out how to correctly forecast the effect on healthcare costs and, as a result, the claims book.

In certain cases, the industry is also dealing with a very perplexing claims experience. When it comes to claims, there is a visibly high level of dissonance, which has a negative effect on the consumer. Although the insurance regulator has been diligent in ensuring that there are no needless hassles during the claims process, there have been many factors that have had a direct effect on the experience. PPE kits, gloves, and disinfectants, for example, are now an essential part of every care regimen for Covid-19, even though they are normally non-payable in insurance. Furthermore, there is substantial variation in care procedures and a lack of agreement between insurers and healthcare providers on cost and expense standardization. Major cost variations depending on the magnitude of the effect or the availability of drugs have rendered the whole claims process in some cases unpredictable.

All in the health insurance industry will attest to Covid-19's profound impact on their businesses and personal lives. A full-scale transition is underway, and digitalization of the consumer experience will undoubtedly play a key role in this transformation. In the coming months and years, the industry and its clients – insurance consumers – should expect some significant changes.

1 First and foremost; we will see a rapidly growing trend of health insurance products with creative designs. In reality, for the longest time, product design has been a major impediment to true digitization. The majority of insurance companies have attempted to adapt their automated systems to a product with an offline distribution model. Complicated product features, risk mitigation conditions that are difficult to understand, and numerous and confounding product types have all led to goods that do not inspire purchases. With more people opting to buy health insurance online, the need for user-friendly digital products has never been higher.

2 Second, there will be increasing recognition of the need to streamline policy documentation. Simplified and uncomplicated policy advantages would need to be supplemented by accurate and easy-to-understand terminologies and product documentation. This will be critical in building confidence and providing a fully digital experience, as well as providing greater access to people of all economic and educational backgrounds.

3 Thirdly, a comprehensive digital ecosystem for claims processing and policy management will emerge. Customers want substantially quicker claim settlements that require minimum manual processing, whether it's by automated claim adjudication that can significantly reduce decision-making times or improved digital controls at the provider and insurer's end.

In summary, it remains to be seen how long the pandemic and its effects will last, and whether they will change the way business operates for the better. Customers' attention spans are limited, and the industry must act quickly to take advantage. It remains to be seen if insurance companies, third-party administrators (TPA's), and distribution partners will be able to seize this opportunity and ensure sufficient retention of current digital adopters while also causing a permanent shift in consumer purchasing and policy-administration habits.

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About Medi Assist:

We are India's leading HealthTech and InsurTech company, specializing in health insurance administration for employees, retail members, and government health plans. We constantly work to drive change and invest in such programs with a focus on reducing healthcare costs.

Our Health Benefits Administration model is designed to include the tools required for a health plan to succeed, whether it's our modular claims management system, technology that exposes data to make critical decisions, or service strategies built around the voice of the customer. In a nutshell, we want to link our performance to a successful healthcare journey for our members.

We incorporate talent and technology in our claims research to assist our members in defying national claim cost trends. Internal processing is augmented by advanced surveillance software, and once a claim is identified as potentially saving money and qualified medical experts investigate the claim for cost-saving opportunities.

Benefits Administrators traditionally demonstrate their provider network repricing, capitation, packaging of procedures, or a reduction in administrative costs as proof of their willingness to help improve the bottom line; however, at Medi Assist, our comprehensive approach to benefits administration offers a positive environment for our clients while aiding employers and members in lowering, often hidden healthcare costs.

Medi Assist plays a crucial role in the health insurance ecosystem:

