

# Current Issues in Health Insurance

## 7<sup>th</sup> Seminar on Healthcare Insurance

By:  
**Dr. Damien Marmion**  
Chief Executive



A Max India Joint Venture

# The Three Realities: (1)- Demographics

- You will live longer than your parents hence the population will grow in size.  
= More demand on health systems
- India's population spread in 10 years will see more people.
  - Retired and dependent
  - Married and having kids
  - Living in cities
- Greater disposable wealth than previous generations.



## The Three Realities: (2)- Epidemiology

- India is a ticking time bomb! with growing lifestyle disease.
- Public health is slowly being addressed so infectious disease is reducing.
- Diabetes and other chronic diseases are more prevalent due to population demographics and people living longer.
- Preventive measures are not taken seriously.

## The Three Realities: (3)- Economics

- Medicines cost more
- New technology is coming soon!.... and will cost more.
- Governments can not afford to pay!
- Companies will only go so far.....
- Individuals must take responsibility from their own pocket.



# Where is the customer

- In government or regulatory driven environments the customer takes a back seat.
- India is not one system with one way of working, consumers have different needs.
- The Henry Ford methodology does not work any more

Private sector	Commoditized 'price conscious'	Competitive 'value conscious'
Public sector	Bureaucratic 'stability conscious'	Reactive 'election conscious'
	Homogeneous	Segmented



## Mind the gap

- Number of doctors per 1000 population=6
- Number of nurses per 1000 population=13
- Number of hospital beds per 1000 population=9
- Vaccination of children



% completed by 12 months of age

- Urban 61%
- Rural 40%
- Total 46%

# But India is a country of Innovation

- Innovation in health delivery
- Access to diagnostics
- RSBY health insurance
- Mobile banking
- Nano
- Family floater insurance
- Dilshan scoop!



# Doctors predictions

1. Indian Health Insurance reaches 40% penetration and targets 60% supported by:
  - Demographics
  - Competitive value conscious products
  - Private sector innovation and segmentation
  - Increased provision
  - IRDA shifts to increasing population awareness and measurement of insurance
  - Economic progress continuing.
  - Tax incentives improved by government.
  - Removal of FDI cap on insurance.





# Doctors predictions

2. Consumers became more health conscious supported by:
  - Demographics- look good- feel good generation.
  - Seeing their parents suffer from heart disease and diabetes, etc.
  - Proliferation of press, gyms, social media support for healthy living.
  - Appreciation of work life balance.
  - No wealth without health.
  - Better health insurance products targeting rewards for better health management.



# Doctors predictions

3. Chronic disease management will emerge supported by:

- Epidemiology/Demographics
- Economics governments can not afford it.
- Risk share products- Employers demand it.
- Life style pressure.
- Innovation in technology and service delivery.
- Internationalization of health management.



# Doctors predictions 2020

4. Provision of healthcare services proliferates supported by:
- Epidemiology and demographics
  - Government support for land availability
  - New models of care in daycare delivery outside hospitals with new poly clinics.
  - Development of primary care across major cities
  - New medical schools produce more doctors.
  - Tiers of quality of health services become visible.
  - Consumers become more demanding.



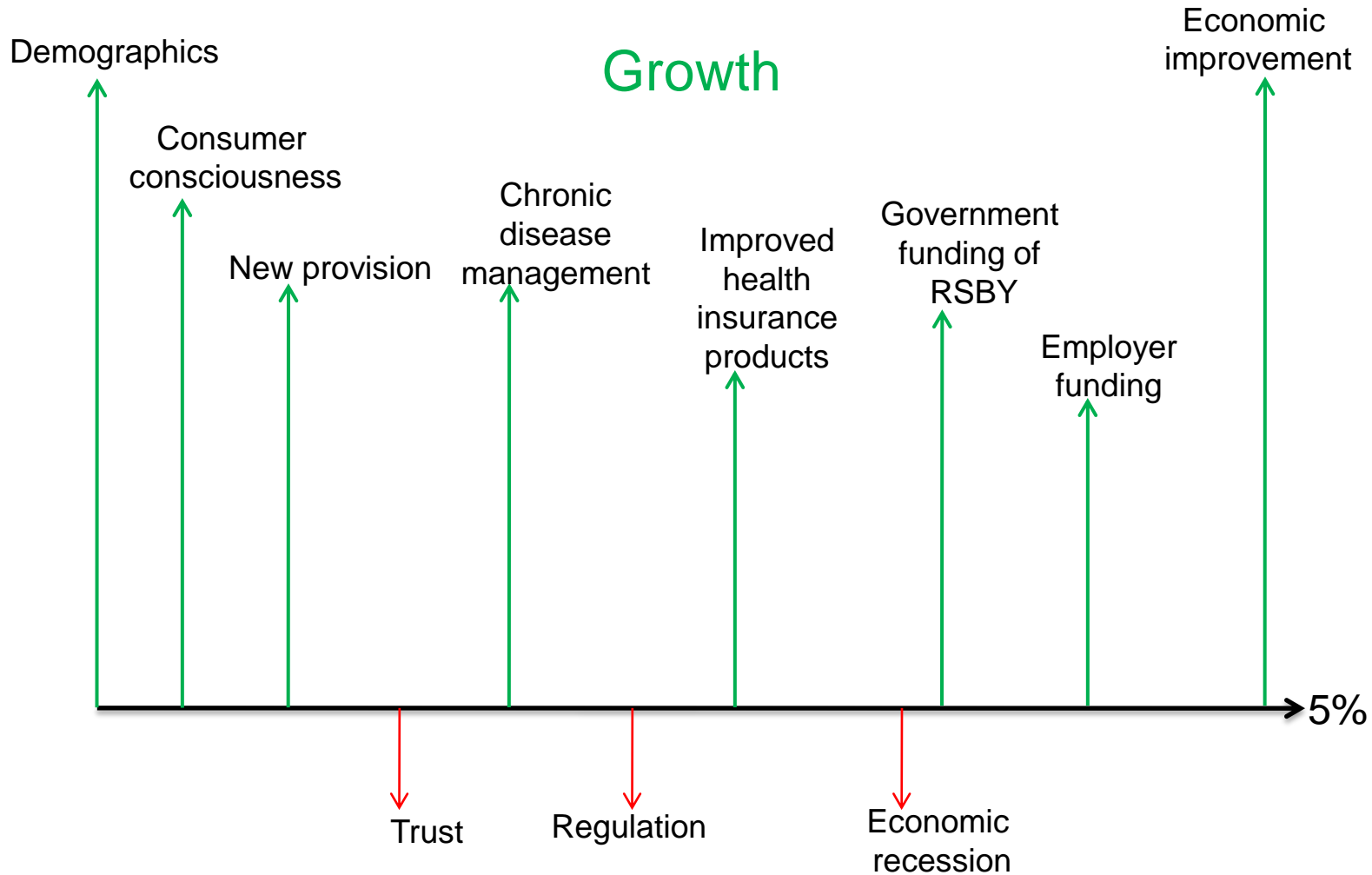
# Doctors predictions

## 5. What will not happen!

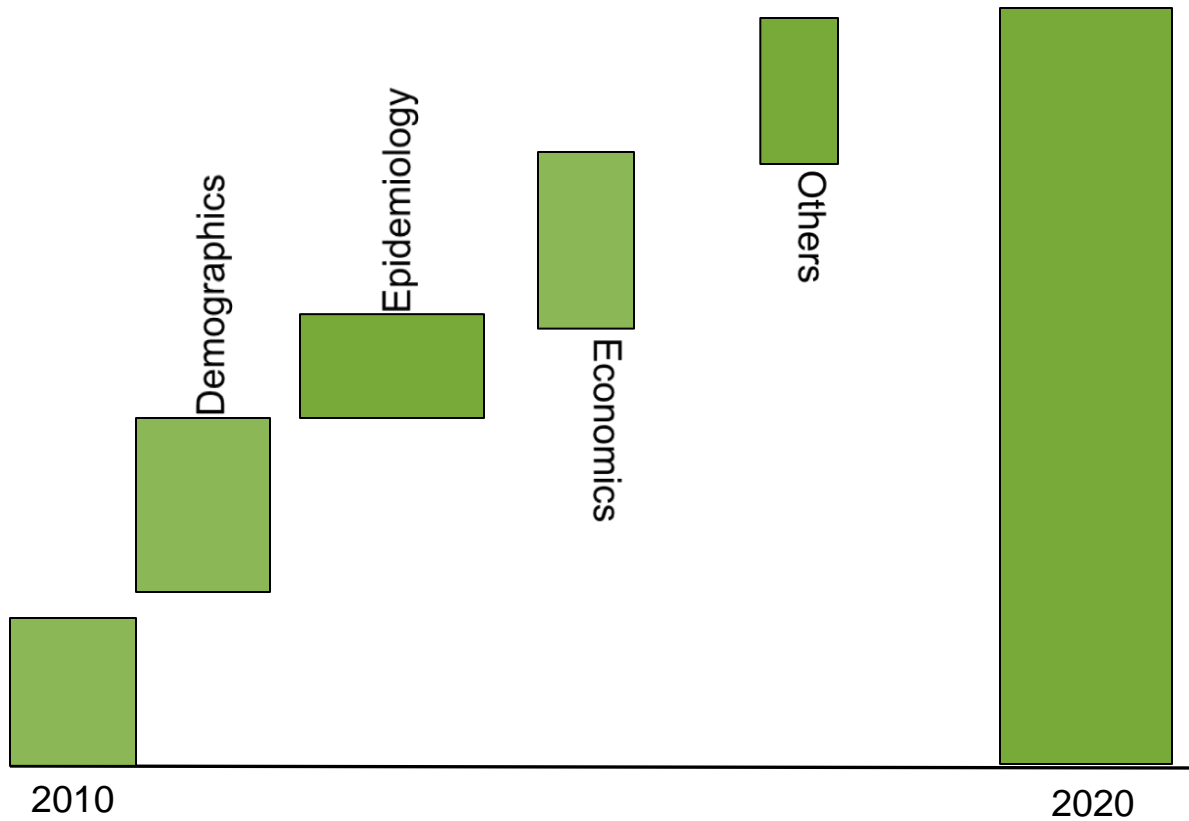
- Trust in medical profession increasing unless there is a shift in reward and behavior.
- Healthcare becomes cheaper unless there is a revolution in research/ delivery.
- Homogenization of the health insurance sector unless regulation is tightened.
- Rural health support unless the economics become more viable.
- Health insurance remaining at 5% penetration.



# Predictions summary



# In numbers



**Now you know this year**

**Current issue in health insurance  
is planning to manage your business to take advantage  
of these shifts  
but also to improve the health of Indians today.**



**A Max India Joint Venture**

**15**

**Max Bupa**  
Health Insurance 